

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-SIXTH PARLIAMENT

FIRST SESSION

Book 14

15 October 2008

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By authority of the Victorian Government Printer

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Professor DAVID de KRETZER, AC

The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

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

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

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Parliamentary Services — Secretary: Dr S. O'Kane

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FIFTY-SIXTH PARLIAMENT — FIRST SESSION

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Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. R. J. HULLS

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

Mr E. N. BAILLIEU

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

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Leader of The Nationals:

Mr P. J. RYAN

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| Langdon, Mr Craig Anthony Cuffe | Ivanhoe | ALP | Wooldridge, Ms Mary Louise Newling | Doncaster | LP |
| Languiller, Mr Telmo Ramon | Derrimut | ALP | Wynne, Mr Richard William | Richmond | ALP |
| Lim, Mr Muy Hong | Clayton | ALP | | | |

¹ Resigned 6 August 2007

² Elected 15 September 2007

³ Resigned 2 June 2008

⁴ Elected 28 June 2008

⁵ Elected 15 September 2007

⁶ Resigned 6 August 2007

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MEMBERS INDEXi

CHURCHILL**Wednesday, 15 October 2008**

The SPEAKER (Hon. Jenny Lindell) took the chair at 10.05 a.m. and read the prayer.

PROCLAMATION

The SPEAKER — Order! I wish to read the proclamation allowing us to sit today:

- A. By proclamation made on 5 December 2006 by me, David de Kretser, AC, Governor of Victoria, pursuant to section 8 of the Constitution Act 1975, fixed 19 December 2006 at 11.00 a.m. as the time for the commencement and holding of the first session of the 56th Parliament of Victoria for the dispatch of business, at the Parliament houses, Melbourne.
- B. Pursuant to section 8(1) of the Constitution Act 1975 the Governor is empowered to vary and alter the places fixed within Victoria and the times fixed for holding every session of the Legislative Council and of the Legislative Assembly.

I, David de Kretser, Governor of Victoria, acting under section 8 of the Constitution Act 1975 and all other powers vested in me:

1. hereby vary and alter the place for holding the first session of the Legislative Assembly:
 - i. from 15 October 2008 to the Monash University Gippsland campus at Northways Road, Churchill; and
 - ii. thereafter, when the Legislative Assembly has completed its business on that day or on the following day if necessary, to the houses of Parliament, Melbourne.
2. hereby vary and alter the place for holding the first session of the Legislative Council:
 - iii. from 15 October 2008 to Bellevue on the Lakes at 191–215 Esplanade, Lakes Entrance; and
 - iv. after 16 October 2008, when the Legislative Council has completed its business on that day or on the following day if necessary, to the houses of Parliament, Melbourne.

Given under my hand and the seal of Victoria at Melbourne this 7th day of October 2008.

David de Kretser, AC
Governor
By His Excellency's Command

I ask the Serjeant-at-Arms to escort into the chamber Mr Wayne Thorpe, an elder of the Gunai Kurnai people; Professor Richard Larkins, AO, vice-chancellor

of Monash University; and Cr Bruce Lougheed, mayor of the City of Latrobe.

Mr Thorpe, Professor Larkins and Cr Lougheed escorted into chamber by Serjeant-at-Arms.

WELCOME TO COUNTRY

The SPEAKER — Order! The Gunaikurnai Land and Waters Aboriginal Corporation represents the traditional owners of Gippsland. I invite Gunai Kurnai elder Wayne Thorpe to conduct a welcome to country.

Mr THORPE — Moolianga Balkun Yakun Wurruk Moongun Ngowa Takina Lidji mree. Ngetal maktar Wayen Thorpe. Brayukaloong Gunai ngaioo.

In English: through the spirit of Mother Earth Father Dreaming and seeing through the eyes of the child spirit. My name is Wayne Thorpe. I am Brayukaloong Gunai.

The gumleaf is the traditional instrument used to summon the attention of tribal members, past and living, and is used today to call on the ancestors and family descendants of the five clans of the Gunai, also known as Kurnai. I will do this gumleaf whistling.

Gumleaf played.

Mr THORPE — I say: Tatungaloong — southern clan; Krowatungaloong — eastern clan; Brabiraloong — northern clan; Brayukaloong — western clan; and Bratowaloong — fire ceremony clan. We are within the Brayukaloong clan area now.

In traditional times it was customary for visitors to another tribal land to be formally welcomed by the owners. The welcome ceremony, then and now, builds good relations between the parties. This allows the visitors to conduct their business and to return home safely.

We recognise the knowledge of our ancestors, past and present, and their contribution to building our community. The wisdom of our elders lays the foundation for the future of our children. We welcome the Parliament of Victoria to Gunai Brayukaloong country. We trust members will enjoy their visit. Muklaen janana wruktung Gunai. Thank you.

Honourable members applauding.

The SPEAKER — Order! I ask the Serjeant-at-Arms to escort Mr Wayne Thorpe from the chamber.

Mr Thorpe escorted from chamber by Serjeant-at-Arms.

ADDRESS BY PREMIER

Mr BRUMBY (Premier) — At the outset today I want to acknowledge the traditional owners of the land on which we stand — the Gunai Kurnai people — and pay my respects to their elders, past and present. I thank Mr Wayne Thorpe for the welcome to his country today. I also acknowledge the mayor of Latrobe City Council, Cr Bruce Lougheed; the vice-chancellor of Monash University, Richard Larkins, who is with us today; and the pro vice-chancellor of the university's Churchill campus, Helen Bartlett.

At the outset I also want to thank Monash University for the use of this magnificent facility. I also thank the people of Churchill, the Latrobe Valley and Gippsland for the hospitality they have extended to us for this regional sitting.

The Latrobe Valley is literally the powerhouse of the Victorian economy. Sir John Monash — the engineer and Anzac general after whom this university is named — was a great Victorian and was once described as 'a man with petrol in his veins and a computer in his head'; he pioneered the Latrobe Valley's brown coal power stations.

The SECV (State Electricity Commission of Victoria) was formed in 1919. It transmitted its first electricity to Melbourne in 1924 and by the 1950s was powering most of the state. To quote the eminent historian, Professor Geoffrey Blainey:

The Latrobe Valley and its chain of growing towns became the pride of Victoria.

The electricity generated in the region drove the rapid expansion of manufacturing between the two world wars and the population boom of the post-war years. I think it is true to say that without the area's cheap and plentiful supply of electricity, Victoria would not be as competitive as it is nor would we be as prosperous as we are.

The resources of the Latrobe Valley and the resourcefulness of its people have for 84 years powered Victoria's success. Besides producing 85 per cent of Victoria's electricity, this part of Victoria has large dairy and cattle industries, paper pulp and manufacturing mills, a world-class university — in this campus alone I think there are more than 2500 students — and great wineries like Narkoojee and Coalville Vineyard, which we have grown to love over

the years, as well as the region having a vibrant sporting and cultural life.

It is in every sense of the word a region with real energy, a competitive business environment and a strong sense of community.

Just last Sunday, Traralgon for the first time hosted the start of the oldest professional cycling stage race — the Jayco Herald Sun Tour.

Tonight the council will host a reception for Parliament in the Latrobe Regional Gallery — a magnificent gallery and one which our government redeveloped in partnership with the Latrobe City Council.

I can remember, though, very different times in the Latrobe Valley. A decade ago — before our government was first elected — the Latrobe Valley was doing it tough. The former SECV had been broken up, job losses were significant, and the local community had received little assistance from federal or state governments. I can remember coming to this campus for a major business forum in 2000, which was attended by hundreds of business and community leaders throughout the region. Local community leaders urged our then new government to set up a task force to identify the best ways to restore confidence, investment and jobs in this region. In 2001 the then Premier, Steve Bracks, responded to the community by establishing the Latrobe Valley ministerial task force, which I chaired. We spent several months listening to the local community. We made 50 recommendations, which totalled well over \$100 million of new government investment, and I am pleased to say that every recommendation was implemented.

Since then, over the last eight years, we have also rebuilt, renovated or extended 40 local schools; we have brought back the Latrobe Regional Hospital and added a new cancer care ward; we have invested in water projects like the Gippsland Water Factory; we have rolled out natural gas connections to Korumburra, Leongatha, Bairnsdale, Paynesville, Inverloch and Wonthaggi; we have returned train services to Bairnsdale; we have delivered 78 extra train services a week to Warragul, Moe, Morwell, Drouin and Traralgon; we have supported the region's dairy farmers by funding around 150 dairy cattle underpasses; and of course we have attracted major significant new investment to the area, like Australian Paper's \$350 million upgrade of its Maryvale mill. We have worked hard to make Gippsland and the Latrobe Valley a great place to live, work, invest and raise a family.

That is why since 1999 unemployment in this area has been halved, population growth has more than doubled, and the value of building approvals has almost tripled. It is a very different Latrobe Valley to that of the 1990s. That is why we want to drive new investment and jobs in this region to secure its sustainability and prosperity. We want to do that by establishing Clean Coal Victoria in the valley, by investing \$125 million in carbon capture and storage technologies, and by partnering with the Clinton Climate Initiative to see further investment in this region. That is why, during this parliamentary session, this Assembly will debate legislation vital to the future of the valley — such as the Greenhouse Gas Geological Sequestration Bill — and this afternoon we will also, in partnership with the Minister for Energy and Resources, deliver a ministerial statement on energy.

It is also why during this session we will pass the Asbestos Diseases Compensation Bill. Victims of asbestos exposure deserve the right to provisional damages and they deserve an apology. With that in mind I want to take this opportunity today to acknowledge an injury that has been ignored for too long. On behalf of the Victorian government and the community I want to say sorry and to express our regret for the pain and the suffering felt by some former power industry workers and their families where that was caused by asbestos exposure at the former SECV. Some workers and families have endured intolerable suffering, including the slow and painful effects of lung cancer, asbestosis and mesothelioma. The government sincerely apologises to these workers and their families for the injuries caused by the exposure at the SECV.

Victoria banned the use of asbestos in 2003, but we understand that some former workers and their families, through going about their daily work, are still suffering the impact of asbestos exposure. It is unacceptable that any person, through the course of their work, is exposed to what we now know is a deadly substance. I hope this apology goes some way to bringing closure and resolution for families who are suffering from asbestos-related diseases.

I know that members of the Gippsland Asbestos Related Diseases Support (GARDS) group are in the public gallery today. These are Victorians who know all too well the meaning of the words pain and suffering. GARDS has provided me with numerous case studies that are truly heartbreaking and they underscore the human cost of asbestos-related diseases. Today I just wanted to bring to the attention of the house from the many cases that have been presented to me one example of the hardship which has been caused and why this apology is so appropriate. This is the case of a

41-year-old man — married, with two children aged 18 and 12 — who was diagnosed with mesothelioma. This man had never worked at the power station. He was exposed to asbestos as a child when his father would come home from work at the power station with asbestos on his clothes and give his child a cuddle, as you do when you come home from work. Once he was diagnosed, he underwent photodynamic surgery to gain a few more months of life and was in constant pain. This man's father, who had unwittingly exposed his son to asbestos, had to watch him suffer and die at the age of 44.

There are many more case studies like this of people who have mesothelioma, asbestos-related lung cancer, and asbestosis. As GARDS has noted:

The untold damage that has been done to the families of these sufferers is just too painful to express in words. There are so many families who have lost their fathers, mothers and even their children to this deadly material.

The social and emotional distress that is felt in our community will linger for decades to come.

I want to thank GARDS for the wonderful work it does with people suffering from asbestos-related diseases, and for the assistance that it has given in the preparation of today's apology. I also want to thank two of the members for the Eastern Victoria Region in the Legislative Council, Johan Scheffer and Matt Viney, for the work they have done on this issue, for raising this matter with me and for suggesting that an apology would be appropriate.

In conclusion, I want to once again thank the people of Churchill for hosting the Legislative Assembly today. It is a wonderful thing to bring Parliament to the people. We do this only once each session of Parliament, and I remember the last time we met in Geelong. I think it was a great opportunity and a great gathering in Geelong, and this gathering will be no different.

The people of this region, the people of Gippsland and the Latrobe Valley, are resilient. They are diverse and have a very strong sense of community. That is why they were able to fight back from economic adversity in the 1990s. That is why they fought back from floods, drought and bushfires in recent years; and that is why they fought for recognition of the affects of asbestos-related diseases. That resilience and community spirit — that resourcefulness — is what makes this resource-rich region so strong.

Last night, with the Minister for Energy and Resources and the Minister for Regional and Rural Development, I met with key representatives of the energy industry in the Latrobe Valley. We discussed the challenges that

face our energy sector and the key role that the Latrobe Valley can play in helping to meet the energy needs of both our state and Australia. We discussed the importance of clean coal technology, carbon capture and storage as well as the significant investment opportunities which arise from further development in this region. We considered the range of partnerships between government and the private sector which will be required to bring these investments to fruition.

Our government looks forward to listening to and working with the people of the Latrobe Valley in the days, weeks, months and years ahead. We look forward to building a better future for every community and every family. Speaking as Premier and the former chair of the Latrobe Valley ministerial task force, it is a genuine pleasure to be back in Churchill for this regional sitting.

ADDRESS BY LEADER OF THE OPPOSITION

Mr BAILLIEU (Leader of the Opposition) — It is indeed a delight to be here in Gippsland and to have the Parliament here; a delight to be in Churchill; a delight to be at the Monash education precinct. I join the Premier in acknowledging Wayne Thorpe, Gunai Kurnai elder, the mayor of Latrobe City Council, Cr Bruce Lougheed, and Richard Larkins, the vice-chancellor of Monash University, and indeed the people of Gippsland.

Firstly, I acknowledge and support the apology offered today by the Premier to those victims of asbestos-related diseases who have paid such a high price for their exposure to such a damaging and deadly product. There can be no doubt their pain and the pain of their families has been horrific and, tragically, in many cases avoidable. We join the Premier in committing to do whatever we can to assist in the future.

When Matt Goss crossed the line in Inverloch on Monday to win the first stage of the Jayco Herald Sun tour, it was a magnificent personal achievement. The Herald Sun tour is one of the great events on Victoria's sporting calendar; it brings Victoria's love of sport and sporting tradition together with the full range of Victorian communities across country Victoria. That first stage took the riders from Traralgon to Inverloch on the coast, and the fact that this great annual sporting odyssey began in Traralgon, in the heart of Gippsland, is even more significant.

But that should be no surprise, because so much of what makes Victoria tick — so much of what makes Victorians smile, so much of what drives this state, so much of what nurtures Victorian families — begins in Gippsland. Gippsland is the home of so many of the state's core advantages, the competitive edge which for so long has stood this state apart.

As gold in central Victoria sparked the rush of immigration and prosperity for Victoria, Gippsland's assets and resources have fuelled and continue to fuel the lasting development of this state. There has been no more important region contributing to Victoria's success. Whether it be through coal, oil or gas powering our industries and our homes, or water resources of unrivalled quality supplying the needs of millions, or forest products framing our homes and offices, or dairy products melting the Milo and feeding families across Australia and the world, or spectacular natural assets which have underpinned ever-growing tourism, fishing and alpine industries, Gippsland has been and remains a key source of Victoria's strength.

Gippsland has also drawn to those competitive advantages people in the spirit of Sir John Monash; people of resilience and enterprise; people with a special capacity to endure, to survive and to succeed; people who have grown with the indigenous communities of Gippsland; people who treasure their Gippsland home and environment; and people who will have a go.

I am talking not just of the successive generations of farmers and foresters who pioneered the development of this region but of the small businessmen and women of Sale, Bairnsdale, Lakes Entrance, Orbost and other cities and towns in Gippsland. From the unique commercial aviation manufacturers at Gippsland Aeronautics to the laundry services of Warragul and the flourishing vineyards of the region, the unique artistic heritage now so proudly represented by such diverse groups as the Wild Dogs from Down Under, who have not only taken their work to the Parliament in Melbourne but right across the world, and from Phillip Island to Cann River and from Pakenham to Wilsons Promontory, this is an extraordinary place.

Like many Victorians, I too have wonderful memories of Gippsland and wonderful experiences I have enjoyed here — of the Buchan caves as a child, of an unforgettable holiday on the Ninety Mile Beach at Paradise Beach, and even the rough and tumble of playing footy at Leongatha.

But to endure is what this community has had to do; nature and to some extent the wilful neglect of

government have served up unprecedented challenges in just the last few years. Gippsland families have faced and fought drought, bushfire, floods and mudslides, toxic contamination of the lakes and even movement of the landmass. From the hand of government they have at the same time been hit without due consultation by a string of initiatives and projects, industrialising key landscapes and dividing communities — whether it was the overland Basslink cable, ill-sited wind farms, new farm zones, planning blights, the location of the desalination plant and associated overhead power lines, or the closure and relocation across the New South Wales border of timber mills.

This is a region and a community that has good cause to be troubled by the return and respect it receives from government, given the contribution it makes to the wider good of all Victorians. Gippslanders are entitled also to question the availability of services. This government has had nine years in office: nine years with unprecedented power and huge surpluses and the chance to do whatever it wishes. Sadly, today Gippslanders face delays of up to eight weeks in getting an appointment with a GP; face growing delays getting a hospital bed; suffer from shortages in police numbers; shortages in the availability of public transport; shortages in the number of nurses, particularly for aged-care facilities; face acute shortages of mental health services, particularly in East Gippsland; rising technical and further education fees under TAFE and for Catholic teachers; delays in the provision of drought assistance; the closure of the Melbourne Fish Market which threatens the fishing industry; and still there has been no updated fire management plan to manage the bushfire season ahead. Sadly, some of Gippsland's towns remain among the most disadvantaged in the state.

There is enormous frustration in the Gippsland community that their interests are placed second behind their resources. It is not as if the government is going easy on taxes. We saw just yesterday the announcement of a \$1.5 billion surplus — up significantly from the previous announcement, with rising fees and charges filling government coffers.

The greatest challenge may yet be to come. The recent financial retreat has raised huge uncertainty and worry for many Gippsland businesses. The prospect of rising unemployment is grim; the volatility of interest rates and the Australian dollar has left many uneasy.

For more than 12 months we have sought to elicit some transparency in Victorian government investments. That effort has been stonewalled by the government. For Gippslanders that uncertainty comes on the back of

the uncertainty surrounding the future of the power industry in the valley. The families of Moe, Morwell and Traralgon are on edge again and an emission trading scheme seems closer, but the details do not — nor yet does a clean coal solution. For all the rhetoric and for all the nine years of power and money, there are still no answers. Gippsland has much to lose from a poorly designed emission trading scheme, but potentially much to gain as a key centre of power generation.

This government must vigorously push its Labor colleagues in Canberra for details of targets and pricing that do not cripple industry, for a timetable that allows for transition in an orderly way, for support for existing investments and for practical solutions. Despite these concerns, I and the coalition are confident that Gippsland has an exceptional future and is blessed with opportunity: an opportunity to be not just a source but a centre — a centre of growth, excellence and pride. That is our commitment.

In that regard it is fitting that this regional sitting is being held here at the Churchill campus of Monash University. In my previous role as shadow minister for tertiary education I had the pleasure of visiting this campus on a number of occasions. Its education precinct, which combines school and post-secondary education, is a wonderful asset for Gippsland. Monash University is a first-class university, a Victorian institution which by its own design is a passport to the future. Education is a key to the future of Gippsland. The Gippsland medical school's is now offering post-graduate entry to bachelor of medicine and bachelor of surgery courses, and that is just another example of the growth of this great university and the diversity of its campuses.

I want to also acknowledge the great role played in Monash University's development by Professor Richard Larkins as its vice-chancellor. Just last week the shadow cabinet had the pleasure of conducting its meeting at Monash University's Clayton campus. It was a delight for our team at that meeting to be briefed on Monash's plans for the future. I also had the pleasure of recently attending Monash's 50th anniversary dinner. It is an extraordinary story and it is in line with the truly amazing aspirations, achievements and enterprise of its namesake, Sir John Monash.

These regional sittings are an important part of Victorian parliamentary democracy. Those of us who had the pleasure of attending those sittings in the past would acknowledge that. In recent parliaments the Assembly has sat in Bendigo, in Geelong and today here in Churchill.

Regional sittings give members of Parliament an opportunity to be a part of a community's working day, and they give regional Victorians an opportunity to participate in parliamentary democracy and see firsthand their representatives in their workplace, representing them as they should.

We welcome these regional sittings of the house. We trust they will continue in the future, and we will certainly commit to continuing them in the future. We thank Monash University, in particular, for its hospitality and the presentation that it has delivered to the sitting of Parliament today. We thank also the staff and the people of Gippsland for their support and hospitality, and we restate our commitment to supporting Gippsland in the years ahead and to seeing Gippsland develop not just as a source but indeed as a centre — a centre for a flourishing and thriving community which plays its part in a flourishing Victoria and which also supplies a lifestyle and an experience that all Victorians cherish. Thank you very much.

ADDRESS BY VICE-CHANCELLOR OF MONASH UNIVERSITY

Prof. LARKINS — I thank the Premier and the Leader of the Opposition for their warm comments. On behalf of Monash University I am delighted to welcome the Legislative Assembly of the Victorian Parliament to our Gippsland campus. I am honoured by the opportunity to address the Parliament. It is a particularly significant time for Monash University, as we heard from the Leader of the Opposition. It is the 50th anniversary since the formal foundation of the university by the proclamation of the Monash University Act in the Victorian Parliament in 1958. It is also the 80th anniversary of the foundation of the Yallourn Technical School — the precursor of this campus.

No institutions are more important for the future of Victoria than our universities. Universities educate the leaders of the future — the teachers, the innovators and the creators. They enrich the lives of the communities in which they are located and open a world of opportunity to their graduates. They perform the research that will allow Victoria to grow an internationally competitive economy based on innovation and new technologies and the research that will help us to address and solve environmental and health challenges. They reach out internationally and build the cultural bridges and mutual respect necessary for an equitable and peaceful global community.

Our regional campuses, such as this one, are cornerstones of local economies and provide life-transforming opportunities to groups previously unable to access higher education.

Over the last dozen years or so Australia's universities have negotiated a number of obstacles in delivering this mission. The investment by the federal government in supporting university education fell by about 30 per cent per student in real terms between 1994 and 2004. On average just 40 per cent of the income of Australia's public universities now comes from government. In Monash's case only 15 per cent of its income comes from assured government funding for education.

Our universities have responded by increasing their non-government income by attracting international students. One-quarter of the students in Australian universities now come from overseas. Education has become a business in its own right and for Victoria easily its most significant export industry. Education earned this state over \$3.5 billion of export earnings in the 2006–07 financial year, placing it well ahead of automotive manufacturing at \$2.3 billion and dairy products and tourism each at around \$2 billion. Although the TAFE contribution is growing, universities are by far the largest contributor. But there are stresses in the system demonstrated by rising student-to-staff ratios and ageing buildings and infrastructure.

As the recently released review of innovation by the Australian government pointed out, inadequate funding of research and research training poses a threat to the university sector's critical role in the nation's innovation system. Full funding of the costs of research in our universities was the key recommendation of the report.

In our state the contributions of our universities and the stresses upon them have not gone unnoticed. Recently two influential bodies in Melbourne, the Committee for Melbourne and the City of Melbourne, released reports that emphasised the importance of Melbourne's universities to Victoria's economic and social wellbeing, and highlighted the risks posed by underinvestment. The members of the task forces represented a broad constituency of Melbourne's business and community leaders.

The Victorian government has taken some notable steps to increase its contributions to science and technology research. A recent example was the funding of the Australian Synchrotron, a visionary step that will help Victoria to be at the forefront of the development of high-technology manufacturing and biotechnology. The

synchrotron is co-located at Clayton with Monash University, CSIRO and soon the Melbourne Centre for Nanofabrication, in a key industrial and manufacturing region of Melbourne. This will become a world-class innovation precinct driving the economy of Victoria and Australia.

At our Clayton campus state government support has assisted in the establishment of the Australian Regenerative Medicine Institute, the world's most productive and automated monoclonal antibody facility, and the state-of-the-art Monash Centre for Electron Microscopy.

The Gippsland campus of Monash plays an integral part in our mission to benefit the community. The campus is proud of the leadership role it plays in addressing socioeconomic challenges in the region. It gives particular emphasis to increasing participation rates in tertiary education by developing programs to service equity groups in the region, especially rural students, indigenous students and those from lower socioeconomic backgrounds. This is producing tangible results. For example, on 3 October in this auditorium I was particularly delighted to see a student who had gained entry to the campus through an alternative pathway — the diploma of tertiary studies — receive his PhD. Alternative pathways are for those not able to gain entry through the traditional pathway through the equivalent national tertiary entrance rank score. That was quite an accomplishment.

The close partnership with the Central Gippsland Institute of TAFE and the Kurnai Secondary College through the Gippsland education precinct will help articulation of students from secondary school and TAFE to Monash when this is appropriate, and from Monash to TAFE when this is right for the student.

The commencement of the Gippsland Medical School this year is an important move towards securing for the future the medical workforce in the region. We all know there is a shortage of doctors in rural Victoria and Australia, and the current workforce is ageing. The Victorian government has supported the federal government in the funding of this school which, as a graduate entry school, is providing particular opportunities for rural graduates of other degrees to become doctors. Our schools of education and nursing are supplying graduates in these crucial areas of rural workforce need. Our schools of business, IT, applied science and engineering are supplying local graduates necessary for a healthy regional economy.

Since becoming part of Monash University in 1992, research and research training have become a major

priority for the campus. The regional location allows for research to be conducted in partnership with local business and industry, bringing in expertise from other Monash campuses where this is appropriate. There is an obvious role for the campus to work closely with government and the local power companies in researching clean brown coal technology and carbon capture and storage. The establishment of a clean coal research institute in the Latrobe Valley is welcomed by Monash as an important step in meeting the energy needs of the region and the state, in a world of climate change.

The campus is also well positioned to collaborate with government and local authorities on other major sustainability challenges, including water. By working with state and local governments, community groups and industry, this campus can offer research that engages directly with the issues facing the region while drawing upon the resources of other Monash campuses and the enormous breadth and depth of research at the Monash Sustainability Institute.

The future of Victoria depends on a collaborative partnership where government and industry invest in our universities and our universities actively contribute with education and research that is relevant to government, industry and the community. Monash University in general and this campus in particular are committed to this collaboration. It is truly a win-win situation at a time when we cannot afford to lose. Thank you for your attention.

Honourable members applauding.

ADDRESS BY MAYOR OF LATROBE

Cr LOUGHEED — Honourable Speaker, the Premier of Victoria, the Honourable John Brumby, the Leader of the Opposition, Mr Baillieu, the member for Morwell, Mr Russell Northe, members of the Legislative Assembly, I would like to respectfully acknowledge that we are meeting here today on the traditional land of the Brayukaloong people of the Gunai Kurnai clan, and pay respects to their past and present elders.

On behalf of this wonderful community, I would like to welcome you all to Latrobe city, Victoria's powerhouse of industry and initiative. I would like to extend to you all the warmest welcome and well wishes of this community and our heartfelt thanks for your attendance here today. When the Premier announced in December last year that Parliament would be sitting in Gippsland, he said it was a great opportunity for members to show

how much they value the contributions regional and rural Victorians make to this great state. Of course it goes without saying that Latrobe city is one of the most diverse and vibrant regional cities in Victoria due to the fact that it offers residents an outstanding lifestyle, which is the envy of all those who visit. I thought it was only fitting that the Premier decided to bring all 88 members of the Legislative Assembly to Latrobe city in this glorious region of Gippsland.

We as a community are honoured that Parliament has made its way to Gippsland — not an easy task by any imagination; I am sure the logistics have been a considerable challenge for all those involved. However, community Parliament by its very nature has a considerably more important function than just providing members with an opportunity to get out and about to see a bit of the countryside. It is substantially more significant in that it signals to rural and regional communities that government's efforts, government's awareness and government's concerns extend beyond Spring Street. It demonstrates to the communities that their interests, their concerns and their hopes are as important to this government as those of their city counterparts.

Your visit to Latrobe city today provides me with an opportunity to state a case for my municipality to assist not only Victoria but also Australia and the world in moving towards a low-carbon economy. Latrobe city is a population powerhouse. Despite continued efforts to diversify our base, our economy is still largely built around supplying 90 per cent of Victoria's electricity needs, based on our massive brown coal deposits, which contain as much energy reserves as the Western Australian North West Shelf oil and gas province. We are a region of considerable strength, contributing \$8.4 billion to the state economy.

Latrobe city is 1422 square kilometres. It has a population of 70 000 residents, most of whom live in the four major towns of Traralgon, Moe, Morwell and Churchill — not to mention the seven smaller towns. Apart from power generation, our major industries include pulp and paper, engineering, fabrication and other industry sectors of food processing, manufacturing, timber processing and waste processing. Our track record in supporting and fostering major companies is admirable. Major companies such as Australian Paper, Hazelwood, Loy Yang and Yallourn are based here.

Also based in the region are Gippsland Aeronautics, which produces the only Australian-designed and manufactured plane; National Foods, which produces 260 million tubs of Yoplait per annum; Lyndale Poultry

Farm, which produces 62.5 million eggs per year — I was going to say, 'God help the chooks', but I will not; and Australia's largest fish farm, which produces 3.5 million goldfish annually.

Unfortunately global warming issues and the resultant federal introduction of an emission trading scheme places the continued viability of our existing brown coal power stations at risk. Closure of existing power plants would have a devastating effect on both our local community and the economy. Therefore, our immediate major challenge is to work with the Victorian and commonwealth governments to manage this issue, the key issue being to manage potential gaps between the possible closure of existing plants and the development of new plants based on new, cleaner coal technology.

It is certainly hard to contemplate this region's vast energy reserves being sidelined and unavailable for the benefit of Victorians. Therefore, we fully support and appreciate the Victorian government's accelerated research efforts to develop cleaner use of the Latrobe Valley's brown coal. Because of this work, the Latrobe Valley is perfectly poised to add another string to its bow, another thoroughbred to its stable, another significant and influential element to its landscape. Latrobe Valley wants to become the global centre for clean coal research and development, and to become the world's expert in carbon capture and storage.

Premier and members of the Legislative Assembly, the Latrobe Valley is the only logical location for clean coal research and development, carbon capture and storage. Latrobe city and the Gippsland region are the logical partners in addressing climate change. We should become the world's hub for innovation in clean coal technology. The proposed global institute of carbon capture should be here, in this municipality, along with our power generators, helping them to adapt and change and leading the world in working as a catalyst for this change.

Latrobe city believes that if we are to face the future challenge of climate change, then we must do it together in a way that fosters investment, research and development. We see our community and local university as the logical centre for such research and development. We should adapt models that will bring international expertise, cooperation and collaboration to the forefront of every conversation, and we should allow Latrobe city, its power industry and the thousands of workers who live here to feel they have some control over, some input into and some role in equipping the Latrobe Valley power industry for the future.

Latrobe city has a bright future, which I believe can be realised through greater federal, state and local government cooperation. It is a future that can be fulfilled in a region with the capacity to do things better, to deliver stronger results, to embrace stronger partnerships and to bring about changes to the global practice of coal-fired power stations. I have no doubt that Latrobe city will be facing a number of significant changes in the future. Climate change will drive us to be more innovative. We have to be — better yet, we want to be innovative.

In this place today you will debate Australia's first carbon capture and storage legislation. Is that a coincidence? I certainly hope not, for it will be Gippsland: its natural basin, its innovative culture and its determined workforce that will ensure that Australia is able to successfully move towards a low-carbon economy whilst providing the community with reliable energy. In moving forward there needs to be an acknowledgement that local government is a vital part of this debate.

Our community looks to us as leaders who advocate and lobby on their behalf. Local government and the constituents it represents should be at the decision-making table as active participants in any dialogue moving forward. The wonderful community of Latrobe should actively be involved in planning for the future. None of us can afford to be insular in our thinking, especially considering the complexity of the challenges before us. We need to work together in an integrated way, exploring opportunities which enhance, support and lead communities through the processes of change and growth.

Today's events represent the Parliament's willingness to embrace the notion that the state and local governments are partners — partners in the community, partners in the fabric of our society and partners in the future. In the spirit of cooperation and collaboration, I formally welcome members of the Legislative Assembly to Latrobe city and extend the warmest wishes from our community to you all.

Honourable members applauding.

The SPEAKER — Order! The Serjeant-at-Arms will escort Professor Larkins and Cr Lougheed from the chamber.

Professor Larkins and Cr Lougheed escorted from chamber by Serjeant-at-Arms.

MULTICULTURAL VICTORIA AMENDMENT BILL

Introduction and first reading

Mr BRUMBY (Premier) — I move:

That I have leave to bring in a bill for an act to amend the Multicultural Victoria Act 2004 and for other purposes.

Mr KOTSIRAS (Bulleen) — I ask the Premier for a brief explanation of the bill.

Mr BRUMBY (Premier) — What the bill does is modernise the arrangements in relation to the Victorian Multicultural Commission. It gives it an even stronger focus than it has at the moment in supporting multiculturalism in our state.

Motion agreed to.

Read first time.

BUSINESS OF THE HOUSE

Notices of motion: removal

The SPEAKER — Order! I wish to advise the house that under standing order 144 notices of motion 102 to 108, and 205 to 220 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 2.00 p.m. today.

NOTICES OF MOTION

Notices of motion given.

Ms DUNCAN having given notice of motion:

The SPEAKER — Order! While I agree wholeheartedly with the sentiments expressed in the notice of motion provided by the member for Macedon — and I am sure all members of the chamber wish the principal attendant the very best in his retirement — I do not consider it to be in the true form of a notice of motion and it will not appear on the notice paper.

Further notices of motion given.

PETITION

Following petition presented to house:

**Maroondah Highway–Badger Creek Road,
Healesville: safety**

To the Legislative Assembly:

This petition of residents of the state of Victoria, particularly the electors of the state division of Seymour, draws to the attention of the house:

Please make the necessary changes to the traffic management of the Badger Creek Road and Maroondah Highway intersection in Healesville.

Your petitioners urge that the house allow the installation of a traffic ‘splitter’ island, so pedestrians may cross the road in safety.

By Mr HARDMAN (Seymour) (10 signatures)

Tabled.

Ordered that petition be considered next day on motion of Mr HARDMAN (Seymour).

**PUBLIC ACCOUNTS AND ESTIMATES
COMMITTEE**

Budget estimates 2008–09 (part 3)

**Mr STENSHOLT (Burwood) presented report,
together with appendices.**

Tabled.

Ordered to be printed.

DOCUMENTS

Tabled by Clerk:

Financial Management Act 1994 — Financial Report for the State of Victoria 2007–08, incorporating the Quarterly Financial Report No 4 — Ordered to be printed

National Parks Act 1975 — Report 2007–08 on the working of the Act

National Parks Advisory Council — Report 2007–08

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

Ballarat — C110

Darebin — C83, C90

Greater Geelong — C89

Greater Shepparton — C91

Latrobe — C54, C59

Stonnington — C86

Road Management Act 2004 — Code of Practice for the Management of Infrastructure in Road Reserves

Statutory Rules under the following Acts:

Corporations (Ancillary Provisions) Act 2001 — SR 117

County Court Act 1958 — SR 119

Supreme Court Act 1986 — SRs 117, 118

Subordinate Legislation Act 1994 — Minister’s exception certificates in relation to Statutory Rules 117, 118, 119.

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

Commonwealth Powers (De Facto Relationships) Act 2004 — Whole Act — 9 October 2008 (*Gazette G41, 9 October 2008*).

BUSINESS OF THE HOUSE

Adjournment

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

That the house, at its rising, adjourn until Tuesday, 28 October 2008.

Motion agreed to.

MEMBERS STATEMENTS

Mr McIntosh — On a point of order, Speaker, concerning 90-second statements: there have been discussions between all parties and the Independent member about members statements this morning. I am pleased to say there has been agreement that there will be an even number of members from both the government and non-government members being able to speak. In order to achieve this I seek leave to extend the time for statements insofar as it is necessary to enable 14 members to each speak for 90 seconds.

Leave granted.

Latrobe Valley: Our Future Our Place project

Mr BATCHELOR (Minister for Community Development) — The multi-award-winning Our Future Our Place project is located here in the Latrobe Valley,

particularly in Morwell and Churchill. The Victorian government has supported this very successful project with a \$150 000 grant through the Community Support Fund. The project involved the construction of two affordable, energy-saving houses by long-term unemployed people recruited mainly from the neighbourhood renewal areas in this region.

Those participants were provided with accredited training, live on-site construction industry experience. The financial return from the houses has been used to build a third house, which will be auctioned on Saturday, 1 November. Plans are under way to build a fourth house.

It is appropriate this week, being Anti-Poverty Week, to focus on an initiative such as this that gives people from disadvantaged communities the skills that will help them find employment. A number of Latrobe Valley residents who have participated in this program have successfully gone on to gain full-time or part-time employment as a direct result of their learning experience. Getting a job will not only benefit the participants and their families but will also benefit the community.

This is another example of the Victorian government working together with communities, local institutions, agencies and other parties to find creative solutions to common problems. Thanks go to Try Youth and Community Services.

Latrobe Valley: government services

Mr NORTHE (Morwell) — I welcome all members of the house to wonderful Gippsland today. Firstly, I congratulate all who have been involved in this herculean effort to co-ordinate and instigate today's regional sitting of Parliament at Monash University, Churchill. From parliamentary staff to the Monash University team and Latrobe City Council, I thank you all on behalf of members of Parliament.

The Latrobe Valley has a magnificent record of adapting in the face of change. The region produces approximately 85 per cent of Victoria's energy requirements and is also home to other major industries represented by companies such as Australian Paper, National Foods and Gippsland Aeronautics. There are numerous medium to small businesses that also contribute much to our great community.

I am often asked what has surprised me in my relatively new role as a member of Parliament. My response is that I am continually astounded by how many caring, giving people we have in our community. Whether that

be by way of volunteers, service clubs, community groups or even sporting clubs, the contribution by community members to our region should not be underestimated. The question is: where we would we be without them?

This highlights the fact that governments must appropriately provide adequate services and support to communities such as those which I have the honour to represent. There are many challenges facing us, and I trust that this sitting of Parliament will highlight the need for this government to commit to improve services in support of the Latrobe Valley.

Once again on behalf of all members of Parliament I thank all who have been involved in the process of hosting this regional sitting of Parliament.

Paralympic Games: Gippsland athletes

Ms NEVILLE (Minister for Mental Health) — I am delighted to rise to congratulate our Victorian Paralympians and in particular the three Gippsland athletes who competed in the recent Beijing Paralympic Games.

Russell Short from Leongatha was the flag-bearer for the Australian team at the opening ceremony. I am told that Russell said carrying the Australian flag at the Beijing Paralympics meant more to him than any one of the six gold medals he has won. At these games Russell competed in the shot-put and finished fifth in an exciting competition.

Aaron Hill from Metung was competing in his first games. Aaron sailed in the single-person keelboat competition, finishing in the top 10 in two of the 10 races. Amanda Drennan from Cowes was eighth in the finals of the 400-metre women's freestyle swimming event.

These young athletes gave fine performances and are wonderful role models for all Victorians who love their sport. Their enthusiasm, commitment and drive to successfully pursue their sports at the international level has been inspirational.

The Beijing Paralympics were a popular success throughout the community and challenged our attitudes about what people with a disability can achieve when the opportunities are available.

I acknowledge the terrific contribution of families and friends, coaches and trainers, local sporting clubs and organisations in supporting the athletes in their preparation for and participation in the games. The Paralympians have been great ambassadors for

Australia and for their local communities, and I am sure all members join me in congratulating them and wishing them well in their future sporting endeavours.

Housing: Narracan electorate

Mr BLACKWOOD (Narracan) — I raise a matter for the Minister for Housing. It will be no surprise that it concerns an acute shortage of public housing, in this instance in the Longwarry, Drouin and Neerim South areas. I have singled out these areas after an approach from the Society of St Vincent de Paul, Drouin branch. It is having enormous difficulty coping with the demand for both emergency and longer term accommodation for families and individuals who are in crisis or battling with financial disadvantage.

When it comes to the provision of public housing in rural areas, the record of the Brumby government is absolutely deplorable. We are constantly hearing the minister announcing big increases in spending on new and additional public housing in Melbourne, but in country Victoria, and in the Drouin area in particular, this is not being delivered on the ground.

To cite the Society of St Vincent de Paul's own figures, it has eight families with a total of 18 children who have had to be placed in temporary accommodation in caravan parks. Some of these parks are isolated and have no access to public transport. Another very interesting fact explained by the organisation is that a great number of these families are coming to my area from East Bairnsdale and west from Pakenham, so clearly the problem is widespread. I call on the minister to cut the rhetoric and get on with the job of addressing the need for public housing in Narracan.

Drugs and Crime Prevention Committee: juvenile justice

Mrs MADDIGAN (Essendon) — The parliamentary Drugs and Crime Prevention Committee has held public hearings in Morwell over the last two days, looking at juvenile justice issues. During that time we managed to speak to a number of providers of services for young people in this area, as well as attending the Shed in Commercial Road and the Wulgunggo Ngalu Learning Place. I have been particularly impressed by the level of cooperation and commitment shown by the state government agencies, the City of Latrobe and other agencies such as Anglicare in providing these services.

It has been recognised by the government that there was a higher rate of juvenile crime in this area compared to other country regions. As a response many excellent

programs have been put in place and are proving to be very successful. These include the Koori justice program, the male adolescence program for positive sexuality, the housing pathways program — which the member for Narracan may be interested in — the court integrated services program, the Latrobe youth council, the Latrobe indigenous employment program, the juvenile justice group conferencing program run by Anglicare and the work of the police youth resources officer. The people who spoke about these programs impressed all the committee members very strongly. They showed that they were really making a difference in the Latrobe Valley. I think we can look forward to Latrobe City Council advancing further and further and being much more successful in the future, as it was perhaps 10 years ago in all these areas.

Country Fire Authority: Sale brigade

Mr RYAN (Leader of The Nationals) — November 2008 marks the 125th anniversary of the formation of the Sale fire brigade. The very significant event will be celebrated this Saturday, 18 October. The brilliant Gippsland historian, Peter Synan, has written a book, and I will have the great honour of launching that publication this Saturday during the course of the celebrations. Although I have not had a complete look at the book, I am reliably informed that it tells of the formation of the brigade in 1883. It tells of the characters and the individuals who have formed it, and it speaks of the selfless dedication of members of the brigade who have participated in its work over the years.

The book describes the big fires that brigade members have fought, going all the way to the contemporary ones that were contested in 2003 and 2006. It describes in detail the courage, the commitment and the great work that the men and women of this brigade and other brigades around Victoria provide to secure the safety of all of us, particularly in the country regions. It is the story of bravery in the face of fire. It tells of the outstanding culture of the Country Fire Authority and the wonderful work its members do. Saturday in Raymond Street, Sale, will be a great day of celebration. The march is at 11 o'clock and the book launch at 12.15 p.m. Do not miss it!

Tourism: Gippsland

Mr CRUTCHFIELD (South Barwon) — Gippslanders are rightfully very proud of their world-class tourism assets. I have enjoyed many of them. For the information of the member for Morwell, yesterday I was out at Tarra-Bulga National Park, chasing lyrebirds and pink robins. The tourism industry

in Gippsland is a critical contributor to the local economy. In 2007 the Gippsland region received \$400 000 over two years from the government in a regional marketing program to underpin the Inspired by Gippsland brand campaign as well as to develop and undertake further marketing initiatives. In June this year the Victorian government applied \$360 000 over three years towards establishing Destination Gippsland Ltd, a not-for-profit Tourism Victoria initiative to drive the further development of tourism in the region.

The Brumby government is supporting Gippsland's peak tourism body project because it will boost jobs in the tourism industry, upskill tourism businesses, improve visitor experiences and products and contribute to local economic growth. The project will encourage more tourists to visit Gippsland and enhance the visitor experience. Victoria's nature-based tourism study identified five key priority nature-based tourism development regions in Victoria. Two of those are Gippsland and the high country.

Victoria has an advantage over other parts of the world and other Australian states as it is home to a diverse range of natural assets. In Gippsland these include the Gippsland Lakes, Wilsons Promontory and Croajingolong National Park. Some \$1.8 million has been allocated for initiatives in Gippsland for the nature-based tourism strategy, including the great short walks of East Gippsland, a feasibility study for an ecolodge, a viewing platform at Tulloch Ard Gorge and development of the Gippsland hinterland all-wheel drive touring route.

Police: Gippsland

Mr K. SMITH (Bass) — I must say it is great to be here in this beautiful part of Gippsland. But for all the benefits that we have got we all suffer down here from a lack of police. Right across the Gippsland area the police on the ground are stressed because of being constantly under pressure to run extra shifts or to cover for some other officers who are away or on WorkCover or maternity leave. They should be thanked for the hard work that they do.

But where are the extra police the government promised? I ask: where are they? I have not got too many in my electorate, and I know that other members down here in Gippsland have not got many either. I question the validity of the numbers the government keeps pushing up to us, although there is always an abundance of police to protect the Premier and Minister Timmy Holding when they visit the Bass Coast area or go near the north-south pipeline where the police are forced to arrest innocent members of the community.

The SPEAKER — Order! The member for Bass will refer to other members by their appropriate titles.

Mr K. SMITH — I find the way this government is acting is contemptible. It is arrogant at best, and I can tell the house that when government members come down to Wonthaggi the next time around I do not think there will be enough police down there to look after them.

I have a good group of people who have been treated with absolute arrogance and contempt by this government in the way it acts, particularly with regard to listening to the people in my area.

Schools: Gippsland

Ms LOBATO (Gembrook) — I would like to present some true information to the Parliament. As a member representing a neighbouring electorate I am keenly aware of how important it is to ensure that both job opportunities and educational opportunities are available to all Victorians.

Education has always been this government's no. 1 priority. I have been pleased to learn that this commitment has been demonstrated here in the seat of Morwell as well as in neighbouring Gippsland towns. The Bracks and Brumby governments have committed over \$45 million for capital works for government schools alone in the seat of Morwell, including for Traralgon Secondary College, east and west campuses; Gippsland Precinct; Grey Street Primary; Kurnai College; Morwell Park Primary School; Traralgon Primary School and Traralgon South Primary School. A further \$118 million has been invested in educational facilities within the neighbouring electorates of Gippsland East, Narracan and Gippsland South.

The state recurrent grant for non-government schools, which is now over \$360 million per year, ensures that students in these schools also receive substantial government support. Like other schools across the state, schools in the seat of Morwell have also benefited from the government's commitment to reduce class sizes in primary classes, with there now being an average of 2.5 fewer students per class. Similar improvements are echoed in neighbouring seats. I am pleased and proud that vital education funding has been restored and our young people living in rural and regional Victoria —

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

Floods: Gippsland

Mr INGRAM (Gippsland East) — Following the disastrous floods that struck much of the Gippsland region last year, I have made a number of trips to the Licola area, including for a recent meeting with the Licola recovery and development committee and the Wellington shire. Licola and the Upper Macalister were hit particularly hard by the floods, with extensive damage done to the river systems in that area.

While much of the work has progressed well to improve and restore the riverbanks and private property, there is still some concern about a number of issues, including the adequacy of the allocated funding to enable the West Gippsland Catchment Management Authority to complete the Macalister River remediation works upstream from Lake Glenmaggie. I understand the original damage assessment identified approximately \$16 million worth of required rehabilitation works; however, to date only \$5 million has been allocated for these works.

I have also received representation from constituents regarding the 2009 river health budget, which has indicated significant reductions in funding, which will reduce the number of operational crews and the amount of river health works in the West Gippsland Catchment Management Authority area.

The catchment management authorities have undertaken risk assessment work to identify the risk to the state government if further flooding damages the work that has not been or has been inadequately completed. The government must ensure that this work is completed and sufficient funding is available to protect and rehabilitate this important catchment area.

Latrobe Community Health Service: redevelopment

Ms CAMPBELL (Pascoe Vale) — Latrobe city residents will have access to the best health facilities possible when the redevelopment of the new \$21 million Latrobe Community Health Service is completed in mid 2010. This funding of \$21 million by the Brumby government will mean that the new infrastructure will be one of the biggest community health developments in the state's history.

This redevelopment will house 120 staff and include new offices and consulting rooms and a range of health services, such as palliative care, health programs for seniors and women, alcohol and drug counselling, physiotherapy and counselling in general. The facility will also include six new dental health chairs, and as a

result establish a true hub for community and school dental services in Morwell.

It will also provide a base for training for dentists in Gippsland. At the existing Buckley Street site, services from two buildings will be consolidated into one facility. This will ensure a more functional one-stop shop for community health services. An adjacent motel was purchased recently by the Latrobe Community Health Service; that will be demolished to make way for the redevelopment.

Earlier this year the Minister for Health launched the Latrobe Community Health Service's Early Intervention in Chronic Diseases Program, which aims to reduce chronic disease. This \$400 000 investment in — —

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

Economy: Gippsland

Mr WELLS (Scoresby) — I was born in Leongatha, grew up in Bairnsdale and played many footy matches against Moe, Morwell and Traralgon. I always enjoy coming back to Gippsland.

An honourable member — Did you win any?

Mr WELLS — No, I didn't win too many. Moving right along so that this is not classed as a cheerio, the latest data from the Australian Bureau of Statistics has confirmed that both household consumption and retail sales in Victoria have fallen in recent months and are yet another sign that the Victorian economy is weakening. The impact of the downturn in consumption and retail sales on local retailers and business in the Gippsland region will be felt right throughout the community.

The Premier continually says that the Victorian economy is in a strong position to ride out the present uncertain economic times. However, the latest economic indicators reflect purse strings and family budgets tightening and business confidence waning. In relation to Gippsland, employment has been virtually static since October 2007, when there were 124 000 persons employed compared to 123 800 in August this year. Not only are they facing a declining economy but Gippsland businesses and families are being hit by the record amounts of state revenue being received from Victorians through the collection of payroll tax, land tax and stamp duty. This financial year the state government is budgeting to reap an additional \$1.5 billion in tax revenues from Victorians.

Gippsland homebuyers will continue to be hit, with Victorians still paying the highest stamp duty of any state. Stamp duty revenue will rise a staggering \$3.7 billion, up more than \$900 million from last year's budget. Despite Labor's hype about land tax reductions, they have not happened.

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

Wulgunggo Ngalu Learning Place

Ms BEATTIE (Yuroke) — I wish to inform the house of the great work being done by Shaun Braybrook and his team at the Wulgunggo Ngalu Learning Place (WNLP) situated in Yarram. I was privileged to visit this learning place yesterday, along with other members of the all-party Drugs and Crime Prevention Committee. 'Wulgunggo Ngalu' means 'which way together'. The WNLP is a residential diversion program for Aboriginal and Torres Strait Islander adult males who are on community based orders as a result of having been found guilty of a criminal offence. Participants have the opportunity to participate in vocational training and education, work readiness programs and community work. Healthy living will be emphasised.

WNLP is premised on the belief that a connection to one's Aboriginal or Torres Strait Islander heritage and culture assists one's sense of self, identity and wellbeing. Further, that involvement in cultural activities encourages a Koori man to maintain a balance between traditional values and modern day cultural values. A sense of common culture will be developed through Koori men engaging in activities with other Koori men, linking into the knowledge and experience of the elders and respected persons and being involved in specific activities, including ceremonies and talking about men's business. Specific cultural activities and practices will be a regular feature at WNLP and all participants — —

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

Anti-Poverty Week

Ms WOOLDRIDGE (Doncaster) — Anti-Poverty Week this week gives me an opportunity to highlight the significant challenges for many people in Gippsland as a result of poverty and the failure of the Brumby government to effectively address it.

We repeatedly hear from the Brumby government about how Victoria is the best place to live, work and raise a family. Unfortunately for many residents in

Latrobe, the reality is quite different. Moe and Morwell are ranked as two of the most disadvantaged towns in Victoria. Thousands of families in the Latrobe area do it hard, with an average income nearly 20 per cent below the state average. Many are forced to rely on limited government housing and are without jobs.

We also see exceptionally high levels of crime rates, alcohol-fuelled assaults and family violence on young people, drug possession and use, teenage pregnancy and youth unemployment. Local welfare agencies describe to me multiple generations where no-one has a job and where young people have little hope for the future. At the same time, residents of Latrobe see billions of dollars spent benefiting people in Melbourne and feel ignored by this city-centric government. The Brumby government has failed to take genuine action to break the cycle of poverty for many people who want to live, work and raise their families in the Latrobe Valley.

MATTER OF PUBLIC IMPORTANCE

Gippsland: government initiatives

The SPEAKER — Order! I have accepted a statement from the member for Bendigo East proposing the following matter of public importance for discussion:

That this house congratulates the Victorian Labor government for continuing to back regional communities and investing in people, infrastructure and economic development, particularly in Gippsland, ensuring recovery from the previous government's harsh neglect.

Ms ALLAN (Minister for Regional and Rural Development) — It is indeed a proud moment for me to rise to speak as part of the historic regional sitting of the Parliament's lower house here in Gippsland. I would like to add my thanks to those of other speakers who have acknowledged the important role of Monash University in hosting us here, in this outstanding auditorium this morning, and I also thank the Latrobe City Council for assisting in bringing Parliament to the people.

Why are we here, Speaker? Because of this Labor government initiative that is bringing Parliament to the people. We instituted it back in 2001, when we took Parliament to Bendigo and to Ballarat. We continued it again in 2005, taking Parliament to Geelong, and now we are here in Gippsland.

It is fantastic to be in Gippsland — and to be here in the Gippsland education precinct. It is very appropriate that the Minister for Public Transport is at the table, because

she, as the former Minister for Education and Training, drove the establishment of the Gippsland education precinct. This was a key initiative that came from the Latrobe Valley task force and was critical in bringing together higher education, vocational education and training, and secondary education all on the one location, providing young people in this community with more educational opportunities. This government contributed over \$19 million to make this happen, and here today we are certainly celebrating that fantastic achievement.

None of these initiatives would have happened under the previous government, which had a very dismal track record when it came to supporting Gippsland and when it came to supporting regional and rural Victoria in general. Indeed those of us in regional and rural Victoria still have the words of the former Premier ringing in our ears when he labelled rural Victoria the toenails of the state.

That was a shameful description by the former Premier, greeted with silence from members of The Nationals and the Liberal Party, but that has been overturned today. Nine years later we are celebrating a renaissance in regional and rural Victoria, a renaissance where we are seeing jobs flowing into regional Victoria. Today there are 30 000 more jobs than there were back in 1999. More people are moving to Gippsland, and over the last statistical period we have seen population growth across every single one of the local government areas in Gippsland.

Members should compare that with the previous government's record, in which population growth went backwards — I suppose it is not easy to have population growth going backwards! However, the population was in decline; today it is growing.

Why is it growing? I will very quickly touch on a number of key initiatives this government has driven from day 1 to help turn Gippsland around and help turn around regional and rural Victoria overall. This was particularly started off by the work of the Latrobe Valley ministerial task force. This was a very powerful representation of the importance of Gippsland to the government, and it continues to be important to the government. This task force, which the Premier referred to earlier, delivered 50 recommendations with over \$100 million in new government commitments. These were in areas important to regional Victorians — in jobs, and in services and infrastructure; they are critical areas.

When you turn to infrastructure you can see the major investments we have made. Just recently — and the

Minister for Public Transport will know this well — an extra 200 bus services have come on line in the Gippsland region. We have seen upgrades to the South Gippsland bypass, Lakes Entrance bypass and Pakenham bypass. We have seen the rail link to Bairnsdale upgraded and the bus services to Leongatha improved. All of these have been critical achievements. Why did we have to reinvest in the Bairnsdale line? Because it was one of those rail lines that was closed by the previous government. That is why we had to make this investment.

We are also making significant investments in education in Gippsland. Over the last nine years we have invested \$163 million in schools in the Gippsland region, and that has seen the renovation or rebuilding of over 40 schools. There is a range of schools. You can travel across Gippsland, as I do many times, and you can see the schools that have been upgraded. Again that is in stark contrast to the 20 schools that were closed by the previous Liberal coalition government. These were schools in your own backyard, and yet you closed them. That is a disgrace.

Honourable members interjecting.

The SPEAKER — Order! The minister will refer her comments through the Chair. If the members for Burwood, Mordialloc and Narre Warren South are going to have a conversation, they should do so outside the chamber.

Ms ALLAN — This investment in education also includes record investment in our TAFEs. We have great TAFEs down here in Gippsland — the East Gippsland TAFE, Central Gippsland TAFE — providing terrific vocational education services to the local community. They are fantastic institutions that will go from strength to strength under the Brumby government's \$316 million skills package that is going to see our TAFEs being able to attract more students to address the skills challenge that we face.

Let us turn to health. Health is another area of vital importance, and access to a range of health services is critical to support regional communities. What was the previous government's record? It was to privatise the public health system in this region, close the Traralgon and Moe hospitals and create the Latrobe Valley private hospital. That experiment went so well the hospital was on its knees when we came to office. This government had to buy back the privatised hospital, bring it back into public hands, and today we are seeing it go from strength to strength. A new cancer centre has been established. We have seen a 27 per cent increase in nurses in this area, and of course there is also a record

\$21 million investment in community health, which the member for Pascoe Vale mentioned previously.

Housing is another critical area for this region. The neighbourhood renewal programs in Moe, Morwell, Traralgon and right here in Churchill have been a great success not only in transforming those communities by bringing in and upgrading the public housing stock but also by connecting residents in those areas to more community services and employment opportunities. This has been made possible through a record \$1 billion in additional state funds for housing over the past nine years which has really helped transform those communities and inject new opportunities into those areas.

There is more investment across a range of different areas. We have seen investment through our Regional Infrastructure Development Fund. We all know about this. We all know that this was a fund that was originally opposed by the Liberal Party and The Nationals. None of these projects in Gippsland would have gone ahead if it had been up to the Liberal Party and The Nationals. But today we have seen that the Regional Infrastructure Development Fund has invested over \$585 million in new projects. We have committed \$585 million to those projects across every local government area in Victoria, and that in turn is leveraging over \$1.25 billion in new infrastructure investment across regional Victoria.

In Gippsland we have seen funding for things like the Gippsland Water Factory, Latrobe Regional Airport, the redevelopment of the port of Sale, and a range of other programs. The expansion of natural gas to local communities is also important for major employers like Patties Foods, helping them with their expansion opportunities, which in turn is bringing more growth and jobs to this region.

Under the Regional Infrastructure Development Fund we also provided funding for the establishment of regional medical schools. Professor Larkins mentioned earlier the establishment here in Gippsland of the medical school. I understand there are 59 students enrolled this year and a further 75 on track for next year. None of that would have happened if those opposite had had their way and been successful in opposing the Regional Infrastructure Development Fund.

The future of the Gippsland region is very bright. We have new, exciting investments in the energy area that we have heard of already today. We have more investments coming from this government in those critical areas of schools, hospitals, community services

and infrastructure. We also support the community through times of adversity: through floods, through bushfires and through drought; putting in additional significant funds to help the community in Gippsland through these difficult times. We will not abandon this community to face the challenges, whether they be a change in climate, a challenging economic environment. We will not leave the community to travel this path alone. We will continue to work with the local community to continue to deliver for Gippsland.

Mr RYAN (Leader of The Nationals) — I note that offence is the best form of attack. I know self-praise is no recommendation, but today we have heard the Minister for Regional and Rural Development take those two principles to another level. Consider the facts: the true facts are that the Labor Party has absolutely abandoned Gippsland, and a living example of why it is so sits behind me — the member for Morwell, elected in 2006 at the Victorian state election. After Labor held this seat for 36 miserable years the people have elected The Nationals, through Russell Northe, to represent this region. That is the first fact.

Consider the second fact. In the federal by-election in April this year the Labor Party in Victoria tried to make the focus of that whole debate state based. It ran up the banners with the tired old rhetoric that we have just heard from this minister again, all that stuff from the last century which in her retell of history is said to be the fact; it ran it all out again and what happened? I ask rhetorically — I am like Kevin Rudd, the Prime Minister; I am asking myself questions — what happened at the by-election? Labor was absolutely and unashamedly thumped, with 6.8 per cent swing against it.

Darren Chester, my great friend and former chief of staff, is now installed as the federal member for Gippsland, and he is doing a great job on behalf of Gippslanders. Is it not the fact that the benefits that pensioners will see throughout Australia were driven initially by Darren Chester in his campaign? He was the one who went out there and said, 'Increase those rates by \$30 a week'. People from all sides of politics were telling him not to go ahead and say it. He said it, he stuck to his guns and in the end I am pleased and proud to say these people will get their just deserts; they will get the increase they need. That is the second statement of fact.

I go to the third statement of fact. When this lot talk about the influence they have in country Victoria it should be noted that they do not hold a seat in the

Legislative Assembly east of Dandenong. They have been wiped out. They are absolutely gone.

The fourth fact is that Labor does not hold a seat in Victoria beyond a radius of about 150 kilometres to 160 kilometres from Melbourne. It has been wiped out. It is gradually retreating to base, retreating to type. We have heard it all again today from the minister. It is reflective of the broader picture across country Victoria. This is exactly why the Labor Party has been absolutely deserted and streeted by the people of country Victoria. In Gippsland alone there are examples which are redolent; there are so many examples I will just talk about a few of them.

There is the management of the water issue, or should I say the disastrous mismanagement of water. I am pleased to see, in a sense, the Minister for Water is with us today. What an absolutely disgraceful state of affairs prevails across Victoria. The government is investing \$750 million in building a dirty great big garden hose to carry water to Melbourne from a region which cannot even supply its own needs. Here we are, the state of innovation, the great state, the state for the new era; here we are on the campus of Monash University, that great innovator; and we have the Minister for Water oversighting a project to see the construction of a 2 metres in diameter dirty great big garden hose taking water out of an area that cannot provide for its own needs. It is absolutely pathetic. Down here near Wonthaggi we have the desalination plant that has been dropped upon the people of that community.

Remember all the talk about consultation; remember all the talk about making sure that communities were part of the discussion. Remember also the famous red helicopter ads. Mr Bracks was telling the Victorian Farmers Federation and others he was out there negotiating. He said he would talk to them and keep talking to them; no decisions would be made. Of course on the day the announcement was made about dropping this thing on the people of Wonthaggi, there we had the ads on television with Mr Bracks and the red helicopter.

Why has Labor been deserted in country Victoria? Because of these and many other issues. There was the delay over announcing the drought relief. I hasten to say, as I said in a press release yesterday, I welcome that announcement. I welcome the drought relief, but the government had to be dragged to it kicking and screaming. Those of us who were in the Parliament last week when I was putting the questions to the Premier saw that he was ducking and diving. Then on Monday out came the announcement. What is also in the fine print is that the irrigators do not get the benefit this year if it is that they do not get 30 per cent of their

entitlements by 1 December. For those of us who know, it was 40 per cent last year. The government has deliberately structured this so that the odds are it will not have to spend half the money it has allocated to those water rebates. It knows the odds are, on the figures from Goulburn Valley Water, that there is a 50 per cent chance the water entitlement will go over 30 per cent by 1 December. That is the fact of it. The Minister for Water is constrained from interjecting, but that is the actual fact of it.

What about the network tariff rebate? Mr Bracks came out in March 2005 and announced, with much hullabaloo, a \$130 million program to help 84 000 households through country Victoria by way of the network tariff rebate. It ran its three years in March this year. What happened to it under this government? It abandoned it; it abolished it. Eighty-four thousand households primarily through country Victoria enjoyed the benefit of that to greater and lesser degrees. This government again absolutely abandoned those people.

The issue of natural gas was mentioned by the Premier this morning in the course of his commentary, and I applaud the extent that natural gas has been extended through Victoria, but he speaks of Leongatha and Korumburra. The trouble is there is no gas. They cannot get it to work. They have got the pipes in the ground, but they cannot get the gas into the pipes. Is this not absolutely typical of the government? I have had to speak again to the local media this week on behalf of people who are terribly concerned that an issue that has been decades in the making is supposed to have happened, but they cannot get the gas through the pipes.

I have already referred to the desalination plant. What about the lack of consultation for those people? What about the fact that when this was announced, it was supposedly going to be powered or offsets would be available by way of renewable energy? That was the big talk. What have we got to show for it? Absolutely zilch. What have we got instead? We now find the government's preferred option is that power be supplied via a new connection at Tynong, crossing 202 farms through Gippsland — some of our most magnificent landscapes. What sort of damage is going to be done to those properties, let alone to all the people who are bound up in this and who are caught up in trying to defend their own properties against what was supposed to never happen in the first place? It is more of the same on behalf of this government.

Then there are the flood-related issues. Last year the equivalent of the Thomson Dam went through Gippsland and out to sea in two events in June and July and then in November. One million megalitres of water

went out to sea because of these massive floods in Gippsland. There was no capacity to capture it; no capacity to be able to use it for our area; no capacity to be able to secure the water rights of our irrigators.

This government is blinded by ideology and blinded by philosophy. You can build dams in Queensland; you can build dams in New South Wales up in the Hunter Valley; you can build them in Tasmania, in South Australia and in Western Australia; but you cannot build them in Victoria. No, you do not do it in Victoria. What you do instead is you take water from areas that cannot supply it and you supply Melbourne. You turn your back on the various options that Melbourne has readily got available to it.

Then we have the terrible underspend by the minister who proposed this matter of public importance in relation to the Regional Infrastructure Development Fund. Today a report has been tabled by the Public Accounts and Estimates Committee. At paragraph 8.12, on page 102, the report refers to the \$585 million budget and to the fact that \$272 million has actually been spent. Its commentary says:

To ensure that the total of the approved funding for the RIDF is to be utilised in the required time frame, the committee believes the government will need to accelerate the number of infrastructure projects planned and commenced for provincial Victoria over the next two years ...

The minister has duded us for \$200 million, so she should not come in here and talk about what the government has done. She has absolutely sold us down the river for \$200 million, and she ought to be ashamed.

Just like you should be ashamed of this motion, I feel sorry for you, Minister, for having been sent out here to talk about this rubbish.

The SPEAKER — Order! The Leader of The Nationals knows that he should refer to members through the Chair.

Mr HOWARD (Ballarat East) — It gives me a sense of pleasure as a regional member of the Victorian Parliament to speak on this matter of public importance today, following on from the Leader of The Nationals who has made a very upbeat presentation to the house — but I am rather embarrassed for him because I thought he should have started his contribution by apologising to the people of Gippsland.

Who can forget how, when he was last a member of government in this state, he sat back as part of a Nationals-Liberal Party team and saw cut after cut after cut to schools, hospitals and other services across regional Victoria? He sat back and, along with the other

members of The Nationals, just let it happen. No wonder the party was thrown out as the representative of so many parts of regional Victoria at the last election; no wonder the Labor government was elected in 1999. I thought the member would have started today with a little humility and provided an apology to the people of Gippsland for the time when he was part of the last coalition government.

We have already been briefly reminded by the minister and the Premier of what this government inherited in situations around regional Victoria. I very well know how I was elected as the member for Ballarat East, as a regional MP, because everybody knew those stories, we had heard them so often, of schools being closed, for example.

Also, I have a long list of 20 schools in Gippsland that have been closed: from Cabbage Tree Creek primary and Club Terrace primary right down the list of 20 to Traralgon East primary, Kurnai College and so on. So many schools were closed under the former government. Also rural Victorians know about the railway line to Bairnsdale being closed, and the rail infrastructure being thoroughly run down — and we can go on and on — —

Ms Munt interjected.

The SPEAKER — Order! I will name the member for Mordialloc if she is not very careful.

Mr HOWARD — But I do not want to dwell too much on that sad part of the history of rural Victoria. I want to talk a little bit more positively.

Mr Weller interjected.

The SPEAKER — Order! The member for Rodney will cease interjecting in that manner.

Mr HOWARD — I also express disappointment about the very upbeat speech of the Leader of The Nationals. He spent 3 or 4 minutes beating his breast about how wonderful The Nationals are, and so on, and then went on to simply lambast the government. Did we hear any sense that, after nine years in opposition, he had developed a sense of policies? The Leader of The Nationals has no policies to deliver to the people of Gippsland about what he would like to see. We have heard from the Leader of The Nationals only a great lot of rhetoric, as we continue to get from the opposition. We are very unclear from day to day what it actually stands for: it appears to stand for nothing other than a bit of political opportunism that comes up from day to day. On the other hand we have heard already from the Premier and from the minister that this government has

been delivering for all Victorians. I, as a regional member of Parliament in Victoria, will not forget the day we came to government, and I am very satisfied that the government has not forgotten regional Victoria one jot. We know that Steve Bracks, the former Premier, had a great understanding of regional Victoria and that Premier Brumby, having grown up in western Victoria, has a continuing ongoing interest in the issues of regional Victoria. He recognises that this government is going to stand by its word: it will stand for all Victorians.

We know that when we came to office the Latrobe Valley was on its knees in so many ways because it had suffered many economic setbacks. We have heard from the Premier how the government established the Latrobe Valley ministerial task force. We have also heard that following on from that task force process there were 50 recommendations — all of which have been implemented — and that \$105 million has been used to rebuild the community and assist people in the Latrobe Valley.

We know that in education there has been \$163 million allocated to the Gippsland region to rebuild, renovate and extend 40 schools, from Orbost Secondary College to Toora Primary School. In health — and how can we forget what was going to happen to the Latrobe hospital — we have seen how this government has invested significantly in the Latrobe Regional Hospital, so it is still a government-owned, government-funded regional hospital, which is being added to, as we heard from the Premier, with \$22 million worth of improvements, including a new cancer care centre. Again, we have turned health around in this area.

In terms of roads, we know that significant investment has taken place in this region, as it has in other parts of regional Victoria. In terms of rail — and of course I have both the Ballarat and Bendigo rail corridors running through the Ballarat East electorate — I know that through the fast rail project this government committed substantially to re-establishing the rail services out to Ballarat, to Bendigo, to Traralgon, as well as to Geelong, and we saw a significant upgrade in that tired line.

We have seen the new V/Locity trains come online. I was very pleased to see that as well as having those new trains online we have a continuing order for more rolling stock. As I drove out yesterday I saw one of the three-carriage trains on this line. We do not have to have the double sets. We can extend the capacity on this line, as we have with others, because, amazingly, under our government people are starting to see that rail services are attractive again. We have reduced the price

of rail tickets, we have made the service quicker and more convenient and we have provided so many more services, from Traralgon into Melbourne and out of Melbourne again, as well as opening that line from Bairnsdale. So people in this region are seeing that public transport is something that is worth travelling on again. We have of course put in place and extended those bus links so that people can really benefit from our investments in this part of Victoria.

We have also seen that this government wants to continue to invest in Gippsland. There are a whole range of projects which will be talked about today in regard to that further investment. We know that there needs to be, as we have heard, significant investment in the energy industry in this state, recognising those issues of global warming and the need to reduce our CO₂ imprint. Of course we need to recognise that as this area produces the majority of Victoria's electricity supplied through the coal-fired power stations here, we need to support the industry in bringing in new technologies, and this government has invested heavily in this area too and is going to continue to invest in this area to ensure that our coal-fired power stations are able to be run more efficiently. We are — as we will hear later on — looking at investing more funds in geosequestration so that we can ensure that we do more and more to reduce the carbon dioxide that is going into the air.

There are so many things that we are doing in this state, and we want to continue to do them. We want to continue to ensure that rail is improved. The V/Line service operating here, as I have mentioned, is going to go on to provide bigger and better opportunities. We want to ensure that health opportunities continue to be supported. I remind the house that the government put into place the Regional Infrastructure Development Fund — something that had not happened under the former government. We recognised that a separate fund for the regions was required to be able to build their economies, and of course there has been a great investment in this region as well as other regions around the state.

As a flow-on from that, we have had the Small Towns Development Fund. This has been a fantastic fund for smaller towns in regional Victoria. It used to be a one-for-one fund — the government would provide an allocation if the community could find an equal allocation — but we have even changed that, so now we provide two-thirds of the allocation, as it were. As a result, projects like the Bairnsdale racecourse recreation reserve have received \$200 000 towards an overall \$300 000 cost. There is a range of other projects; for example, the Dargo and Licola bore construction

project was undertaken with \$200 000 from the government.

The development of the Victoria Park, Maffra project has received \$360 000. There is also the Mallacoota streetscape project. I could go on talking about just the smaller projects which have meant so much to the communities in which they operate. Another is Stratford mechanics hall. The people of Stratford would no doubt be delighted to think that their hall was able to be upgraded, and I know the capacity of people — —

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

Mr BLACKWOOD (Narracan) — I thank the house for the opportunity to respond to the matter of public importance (MPI) proposed by the member for Bendigo East. There is no doubt that the Brumby government has done some good work in regional Victoria, and to a limited extent in Gippsland, but I suggest that Minister Allan has put herself out there today as the master spin doctor of this Brumby government. Before I go into the areas of total neglect that Minister Allan has chosen to ignore, I will make a couple of comments about the implication by the MPI that the previous government displayed neglect in the past.

I remind the minister that the previous government had to make some very tough decisions when it came to power in 1992, because this once great state of Victoria had been brought to its financial knees. It was almost bankrupted by the Cain and Kirner governments of the 1980s and 1990s. I also remind the minister that when the government came to power in 1999, it was handed a huge surplus of almost \$2 billion, courtesy of the Kennett and Stockdale government. This state went from bankrupt to cashed up in seven short years.

On top of the surplus when this government came to power, it was handed a windfall of roughly \$8 billion per year in GST revenue. Record inflows in land tax, payroll tax, stamp duty, gambling revenue and speeding fines as well as CPI increases every year in almost every government tax and charge could be added to that. The Brumby government has a budget of almost \$35 billion. In 1999 the government budget was \$19 billion: it really makes you wonder where the money has gone.

We are constantly being bombarded by spin, just as we have heard it from the minister, but when you move around my electorate you do not see things happening on the ground. Despite the spin, despite the rhetoric, despite the record budget and despite all Victorians

being taxed more than ever before we are still not seeing services delivered on the ground, especially when they are desperately needed here in Gippsland.

In the area of disability, in particular accommodation for the disabled, we still have a situation where 23 000 Gippsland families are caring for a special-needs family member. Most of these carers are well past retirement age and living with the dreadful fear of not knowing what will happen to their son, daughter or other family member once they leave this world.

Minister Allan is right; there is certainly more to do. I have heard members of this government say many times in the chamber at Parliament House, Melbourne that there is more to do. I say there is more we must do. A damn good start would be having the Minister for Mental Health engage with the Gippsland Carers Association in a more formal and proactive way.

I would like to mention Barrier Breakers, a fantastic support and lobby group for those suffering with mental illness here in Gippsland. It has been constantly in touch with the member for Morwell and me, seeking support for the crisis it is dealing with by way of a lack of accommodation for its clients. The member for Morwell and I spoke with Minister Neville many months ago and presented her with a terrific option for accommodation that had been identified in Traralgon by Barrier Breakers. To this day, I do not believe we have had a response.

There is a critical shortage of public housing right across Gippsland, in particular as highlighted to me in a recent meeting of the Drouin branch of St Vincent de Paul. It does a great job assisting disadvantaged families and finding emergency or temporary accommodation. As I mentioned earlier in my members statement, it currently has eight families, which collectively have 18 children, being housed in caravan parks in Longwarry, Neerim South and Drouin. We still hear the minister for public housing trotting out the spin, bragging about the extra \$500 million for public housing, opening a new or redeveloped housing complex in Melbourne. What do we hear in Gippsland? It is deathly silence.

Community safety is continually compromised by the lack of police resources in Gippsland. The situation at Moe D24 is an example of very poor management on the part of the Minister for Police and Emergency Services. He has failed to follow through on his commitment to relocate regional D24 units to the Emergency Services Telecommunications Authority facility in Ballarat. As a result, on any one day there can

be up to 13 vacancies that Moe police station has to try to fill. The only option is to take front-line police off the beat and traffic management unit members off the road to plug the gaps. Not only does this compromise public safety but it has a major impact on police morale as our hardworking, dedicated officers are forced to do administrative work rather than the front-line work they are trained to do and enjoy doing.

The single greatest number of complaints my office receives are in regard to the punctuality, commuter safety and overcrowding of our Gippsland trains. Continually Met passengers are taking seats from V/Line passengers on V/Line trains and causing massive overcrowding. This is creating difficult situations for V/Line staff.

Mr R. Smith interjected.

The DEPUTY SPEAKER — Order! If the member for Warrandyte would like to speak on the MPI, I will call him when it is his turn. The member for Narracan to continue without assistance.

Mr BLACKWOOD — This is creating major problems for V/Line staff, who try to manage the best they can to provide safe travel for Gippsland commuters. It is about time the minister took responsibility for this issue and implemented a policy that better enables V/Line staff to manage the situation and prevent the need for V/Line passengers to stand for long distances, in particular between Flinders Street and Pakenham, where Met passengers can leave or get on the country trains.

Gippsland Water has been forced to increase its charges by a massive 71 per cent over the next five years. This has caused enormous concern, especially among pensioners and those dealing with financial disadvantage.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The member for Lara shall cease interjecting. Members on my left should also cease interjecting. I am sure the gallery would like to hear the member for Narracan without assistance.

Mr BLACKWOOD — Gippsland Water was forced to raise its water tariffs because state governments have continually taken money out of these water authorities rather than leave it for much-needed infrastructure upgrades to cope with population growth. Once again Gippsland people are being slugged, despite record income flowing to the Brumby government.

I will be raising in the adjournment a matter for the Minister for Public Transport, but I will briefly mention that it concerns a very dangerous level crossing on the fast rail line between Warragul and Drouin that does not have boom gates. The MPI quotes ‘investing in people’ as one of the achievements of this government. If ever there was an obvious way to display this, you would think that installing boom gates at a very dangerous level crossing would be a no-brainer, especially given the tragic events of recent times in other parts of the state.

The member for Bendigo East mentioned many times that there is more to do, and she does it often in other places. I will take this opportunity to remind her not to forget about the election promises the Brumby government has yet to deliver. Trafalgar High School had every reason to expect its promised \$8 million redevelopment would have been delivered in 2007–08, but it was not. It will not be delivered in 2008–09. The bitterly disappointed staff, students and parents deserve to be told now that this project will be delivered in 2009–10. That is not what I would call investing in our people. Darnum Primary School is also still waiting for its promised \$800 000 upgrade, as are the Erica Country Fire Authority brigade and the Neerim South ambulance officers and community.

I urge the federal and state governments to continue to support this facility at the Gippsland campus of Monash University. This facility is critically important to this region. One of the biggest impediments to successful year 12 students going on to tertiary education is the need to relocate to Melbourne and the cost this imposes on country families. The Gippsland campus of Monash University provides a terrific opportunity for Gippsland students to continue their tertiary education close to home. There is no doubt that the Labor government has delivered a number of essential projects and funding initiatives for this part of Gippsland in recent times. However, in light of the record income and economic prosperity of the past 11 years there should not be a lot more to do, but a lot more should have been done.

Mr NARDELLA (Melton) — It is interesting that we have come here to hear the contributions of the local members who represent Gippsland. The audience can make up their own minds as to how poorly represented these electorates are from the contributions of the member for Narracan and the member for Gippsland South, the Leader of The Nationals.

I want to touch on the contribution of the Leader of The Nationals, who is not able to tell the truth. He spoke hollow words. Members of The Nationals are two-faced. The member for Gippsland South was

constantly wrong in his speech. For example, he said there is no representation by the Australian Labor Party more than 150 kilometres from the GPO. He is certainly wrong about that with regard to seats held in the upper house. The member for Bendigo East and the member for Ripon, both in the lower house, are ALP members. There are other ALP members who are outside that 150-kilometre range. The thing that he did not say is that in terms of the lower house electorates within that range his party has no representation.

The Leader of The Nationals spoke for 10 minutes and did not say anything positive about Gippsland — not one positive thing about Gippsland. For 3 minutes he talked about and built up The Nationals. He had an opportunity to put on the record his policies, but he could not put forward any of his policies because The Nationals had not had them ticked off by their leader, the Leader of the Opposition, and the Liberal Party. The Nationals are not the junior partner in the coalition; they are the junior, junior, junior partner in the coalition, and they cannot put any policies forward today. The Nationals are the dead voice of the country within this Parliament.

The Leader of The Nationals talked about the need for a dam, but he did not announce where he would put it. We know that he is talking about the Mitchell River. He needs to spell that out, get that policy passed by the Leader of the Opposition and get it ticked off. He needs to go out and tell the people of Licola, Ralph Barraclough and all the people on the Mitchell River that their land is going to be flooded. If we went out to announce that today, the Leader of The Nationals would immediately go out and oppose it, because that is all The Nationals do. They go out and oppose wind farms; they oppose schools; they oppose the fast rail; and they oppose the Regional Infrastructure Development Fund. All they do is go out and oppose. That is what they have done.

But did The Nationals oppose similar things when they were in government? When The Leader of The Nationals was in government between 1992 and 1999 did The Nationals oppose the closure of the Bairnsdale rail line? Of course they did not oppose that. Did they oppose the closure by the Kennett government of 12 country hospitals, two of which were in Gippsland? No, they were silent. They were not prepared to oppose that at all. Were they prepared to oppose the forced amalgamations of local governments throughout country Victoria? No, of course they were not, because they got the benefits of it. Their cronies — The Nationals' cronies and the Liberal Party's cronies — went out there and got the benefit of it. They were prepared to take the pieces of

silver, and they became commissioners of the new, amalgamated councils.

Two members of this chamber today were beneficiaries of that largesse: the members for Lowan and Shepparton were local government commissioners. Did they stand up for country Victoria during the local government amalgamations? No, they did not. Are they prepared to stand up in this new coalition that they have gone into? Of course they will not stand up for country Victoria, because that is their *modus operandi*. That is what they do in government.

The member for Murray Valley did not oppose the closure of the rail line in his electorate. Those members of the former coalition government did not oppose the closure of the Ararat or Bairnsdale rail lines. They were silent, because they had the white cars, because they got the largesse of being commissioners. When they closed the 178 schools within country Victoria, did they say anything? They said nothing, because they were a part of the coalition government. They were toadies of the Liberal Party at that time.

An honourable member — The toenails!

Mr NARDELLA — Absolutely. They believed country Victoria was the toenails of Victoria. Let me list the 21 primary schools in Gippsland that they closed but on which they kept silent: Cabbage Tree Creek, Club Terrace, Mount Taylor, Munro, Sarsfield, Myrtleford, Ensay, Johnsonville, Willung, Won Wron, Binginwarri, Denison, Gormandale — and they are not saying much now, are they?

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The member for Melton should not seek to encourage interjections. Again I would ask members to keep that level of interjection down.

Mr NARDELLA — The list continues: Port Welshpool, Port Albert, Carrajung, Alberton West and District, Hazelwood Estate, Traralgon East as well as the Morwell Heights campus of Kurnai College.

The Nationals members come in here and purport to represent country Victorians, but they oppose everything we do that benefits country Victorians. They have opposed the 1400 extra police that we have put on board and the 8000 extra teachers we have put on board. They supported the sacking of 9000 teachers from the public education system.

Worse still, these are the same opposition members who in 1993 sacked every school cleaner within Victoria — people forget these things, they forget the sackings out in country Victoria — and they want people to forget that. Remember the ‘hidden treasure’ who was the member for Gippsland East, David Treasure? I was in East Gippsland when he closed the Bairnsdale integrated care centre. After \$1 million was spent to upgrade it, he supported its closure. He also went out there and supported the closure of the Bairnsdale rail line. He is now a part of history.

Members on the other side of the house want to rewrite history. They want to tell the people of Victoria that they are different, that they have changed their ways. Members of The Nationals sit there today as part of a new coalition government — as a junior, junior, junior partner — thinking they going to have an influence on the Leader of the Opposition and others around the shadow cabinet table. I put it to you, Deputy Speaker, that they will have no influence. They will be told what to do — that is the *modus operandi* of the Liberal Party. They will sit at the cabinet table, take the white cars and, like they did during the seven long, dark years of the Kennett government — like they always have done and always will do — they will sell country Victorians, country people and country communities down the river.

Applause from public gallery.

The DEPUTY SPEAKER — Order! It is disorderly to clap.

Mr NORTHE (Morwell) — It gives me pleasure to make a contribution to the matter of public importance (MPI) as proposed by the member for Bendigo East. Unlike the contributions by government members, I will give an accurate reflection of what occurs in the Gippsland community. First and foremost, I acknowledge any government’s contribution to the Morwell electorate. I support investment in the region — there is no doubt about that. However, this MPI indicates to me that the government is satisfied with what it has invested thus far. I will give an accurate summation of what my community is telling me.

With regard to police, there are a number of local police officers here today, and hopefully they will get a good indication of how well behaved the Gippsland community is. However, Police Association Victoria acknowledges the fact that there is a shortage of 17 police in the Latrobe Valley alone. That is reflected across the community. I know through a survey I

conducted in the community that one of the most pressing matters is community safety.

The police do a wonderful job, and all members of the house acknowledge that fact. Here in Churchill the police station operates for only a minimal amount of time, despite the Churchill population being nearly 5000. For a long time the community has called for an increased police presence in this town. The member for Narracan alluded to the fact that a number of front-line police officers currently man the Moe D24 communications branch. It is ludicrous that these police officers, who are trained to protect the community, are undertaking administrative roles in the Latrobe Valley community.

I call on the Minister for Police and Emergency Services and the government to seriously look at the prospect of transferring these police operations to the Emergency Services Telecommunications Authority centre in Ballarat.

Recently, on Blue Ribbon Day, a police officer gave a very emotional speech about the stresses that local police confront on a daily basis. I make this point because it is important that the government listens to what the police officer told us. The simple act of transferring the functions of the D24 branch would free up police officers to serve the community, which is what both the police and the community want.

The Gippsland Water Factory was mentioned earlier. The government does not appear to know what it is; it is a very good project, which will treat domestic and industrial wastewater and use it for other purposes. That is great. The issue is that the project cost has blown out to \$174 million. The state government has contributed \$50 million to it; however, given the amount of revenue and dividends that the government has received through water authorities, that amount is minuscule.

The member for Narracan has pointed out that Gippsland Water ratepayers face an increase of 71 per cent over the next five years and a 23 per cent increase in this financial year. We all know that earlier this year the Premier stepped in to cap the rates of metropolitan water authorities when they attempted to increase the rates by a similar amount. This situation is unfair. The Latrobe Valley has a number of low-income families who are eligible for concessions, and this increase in water rates will heavily impact upon them. We are calling upon the government, and I have sent correspondence previously to the Minister for Water, to contribute further funding to this project to alleviate the burden on Gippsland Water ratepayers.

In terms of health, I acknowledge the government investment in Latrobe Community Health Service, a \$21 million project which is welcomed by me and other members of the community. It will make a difference.

I believe the member for Ballarat East made mention of the Gippsland Cancer Care Centre. He seemed to say that the government takes the credit for all of that. I can assure the member that is not the case. Yes, state government contribution was made to this vital project. However, it was the federal government and the business and local community which made significant contributions to the Gippsland Cancer Care Centre and Gippsland Rotary Centenary House, which provides accommodation for those undergoing cancer treatment at Latrobe Regional Hospital.

In the previous three or four months we have seen some public comments from medical professionals and nursing staff with concerns about Latrobe Regional Hospital and the standards that currently apply to that hospital. Unfortunately we have seen a decline in service delivery and standards, specifically over the last two years. This has come about from an increase in demand for a number of services. In fact the hospital was built with an emergency department to cater for 10 000 presentations on an annual basis. The emergency department is now seeing somewhere in the vicinity of 27 000 patients per year.

Over time this government has taken its eye off the ball, thinking all was well and good at the hospital, but I want to assure the minister and the government that is not the case. We have seen Dr George Owen, an orthopaedic surgeon, express his concern about the waiting list for those undergoing elective surgery and a number of patients who have had surgery cancelled on multiple occasions. Recently we have seen the departure of senior medical staff, and we have seen senior staff critical of government underinvestment in Latrobe Regional Hospital. The elective surgery waiting list in the most recent statistics has blown out by nearly 100 per cent in the last 12 months.

Just last week on WIN television a local GP again raised the issue of the lack of acute mental health beds in Gippsland. There are only 27 beds across the whole of Gippsland, and he described this predicament as a crisis. It is time the government listened not only to the doctors but also to organisations such as Barrier Breakers, which is a great advocate for those suffering mental health problems. The member for Narracan also mentioned the Gippsland Carers Association, which does great work advocating on behalf of those with a disability. It is pleasing to see that in this region on 21 October there will be a parliamentary committee

hearing as part of the committee's inquiry into supported accommodation for those with a disability.

I will not go on to discuss the energy industry at the moment, as I know we will have a chance later in the day. However, suffice to say there needs to be further research and development into new energy technologies, particularly clean coal.

Part of the matter of public importance refers to government investment in the local region. I want to make a point about the Traralgon bypass inquiry, which has been debated in this house over the last 12 months. Local planning authority Latrobe City Council was keen for further residential development in a large parcel of land between Traralgon and Morwell. This government actually knocked that project on the head, so I am not sure how the minister, through an MPI, can say the government has been assisting with investment in regional areas. Here was the prospect of having the opportunity to accommodate in the vicinity of 3000 people or more in residential development. However, this government rejected that notion. It contradicts exactly what the member for Bendigo East said in the MPI.

The member for Melton and others have expressed points in regard to education and the closure of schools. Obviously government members have not read the *Latrobe Valley Express* from last Thursday; the front page refers to a new super-school for Morwell. Now that sounds all well and good, but it involves the closure of three primary schools in Morwell and consolidating them into the one school. They have obviously done their homework in that regard.

Speaking of assets, we have the Traralgon fire station, which is currently under construction in Traralgon. We welcome that investment; it will be great for not only the Country Fire Authority volunteers and members but also the local community. However, prior to the 2006 election the government pledged \$4.3 million for this project; now that the building is under construction, the government is pledging only \$3.35 million. The cost of this facility will be approximately \$3.5 million, so the requirement is now on the Traralgon fire brigade and the local community to fundraise moneys to complete the project in the manner it should be. Now they have to go out and raise between \$150 000 and \$200 000. This is another broken promise or broken commitment from this government. The minister and the government should pledge to complete that project for the Traralgon fire brigade.

In closing, today is an opportunity for the government to listen to the people of the Latrobe Valley — and

particularly the people who reside in the Morwell electorate and on whose behalf I speak — and to take on board what they are saying. Yes, there are some good things happening, but there is also a lot of work to be done; we all concede that. I want the government to take these messages on board and to actually deliver and act upon them.

GREENHOUSE GAS GEOLOGICAL SEQUESTRATION BILL

Second reading

Debate resumed from 11 September; motion of Mr BATCHELOR (Minister for Energy and Resources).

Mr CLARK (Box Hill) — There is an enormous threat hanging over the future of the Latrobe Valley. Four out of five of the Latrobe Valley generating plants are at risk of closure by 2020, under either a 10 per cent or a 20 per cent emission reduction target. That is the forecast of respected economic modellers ACIL Tasman in a report on a study commissioned by the Electricity Supply Association of Australia (ESAA), released in July this year. Under its modelling, Loy Yang B, Yallourn, Hazelwood and Morwell stations face closure; only Loy Yang A is projected to remain open.

There is also a huge threat to the Victorian economy from a poorly introduced emission trading scheme and from a poor response by state and federal governments to the consequences of action on climate change. We run the risk of blackouts or power prices going through the roof. Respected industry participants point out that there should be around a 15 per cent reserve margin in available capacity, but that is currently down to 10 per cent and looking set to go down to 8 per cent by July next year. Despite this, both state and federal Labor governments have failed to act to protect either the Latrobe Valley or the Victorian economy more generally.

There has been plenty of talk for many years about an emission trading scheme. We remember the National Emissions Trading Taskforce discussion paper released in August 2006 by combined state governments. Immediately we saw Queensland and Western Australia walk away from that model, and despite all the talk subsequently from state Labor governments — that they would do things if the federal government did not act — they have failed to do the necessary detailed hard work about the practical, real-world consequences of introducing an emission trading scheme. It took

private sector modelling commissioned by the ESAA to reveal the extent of the threat to the Latrobe Valley and the urgent need for action.

If we can get carbon capture and storage to work, then there may well be the opportunity for the Latrobe Valley to continue to be the powerhouse of Victoria, and even to gain potential opportunities from becoming a research and development centre, exporting technologies to the world. But to get into that position the Latrobe Valley first of all has to survive the short-term and medium-term threats.

On top of the inaction of the state and federal Labor governments, there has been a series of actions that are in fact making the situation worse. There is in particular the issue of uncertainty being created by the process that has been followed. Professor Ross Garnaut has a good mind and he has done some good work, but he is lacking real-world practical experience, and that is causing considerable difficulties. He has dismissed out of hand the need for transitional assistance to generators. Even though the federal government has recognised the need for such assistance, it is still struggling to get a viable model of assistance, and until that is resolved there is a huge cloud hanging over the industry. Even worse, Professor Garnaut has failed to grasp the issue of the dispatch order for generators, which means that under emission trading brown coal plants are likely to be dispatched in priority order after gas and other plants, which is what has the potential for the devastating consequences that I have referred to earlier.

On top of that, what is becoming an increasingly pressing problem is the uncertainty about what the electricity price is going to be post the commencement of the emission trading scheme. Power plants need to sell their power forward to get certainty; retailers need to buy their power forward to get certainty. Without knowing what price is going to apply from the commencement of emission trading, uncertainty levels are rising on both sides of the transaction and that is threatening their financial viability, because it is threatening the covenants that they have with their banks, and it is threatening to put them into bankruptcy or into economic difficulties, even before the emission trading scheme commencement date comes along. There is also the serious concern about whether the federal government can in fact get its act together to get an emission trading scheme started by the date that is talking about. If it cannot do that, it needs to say it cannot do so quickly and set a firm date that people can work around, as well as giving greater certainty for the start-up price for carbon.

At a state government level we have delays in the introduction of smart meters, which is reducing the capacity of householders and small business to better manage their power and to take the spikes off power demand, therefore contributing to the risk of a lack of capacity and blackouts. Beyond the black balloons campaign we are still not getting the state government providing genuine practical information to householders about how they can better reduce their power use and their emissions. Back at a federal level, the federal government has totally mishandled its proposed strategy for energy intensive export competing industries. We have sectors like petroleum refining and paper under enormous pressure because the federal government is proposing only to give relief when there is a certain volume of emissions per dollar of revenue, rather than volume of emissions per value-add or margin. This means that these high-volume, low-margin sectors are being threatened with being forced out of operation in Australia, taking them overseas and doing great damage to the Victorian economy.

It is all very well for state and federal Labor to have been talking for years about emission trading schemes, but it is manifest that they have just not done the work that needs to be done to implement an emission trading scheme with the minimum possible damage to the Victorian or the national economy. If you accept the scientific evidence regarding greenhouse gas emissions, and therefore the need to reduce those emissions dramatically, then existing brown coal plants will over time need either to be displaced and replaced or retrofitted in order to be dramatically cleaner. That is a critical issue for the Latrobe Valley.

Will we be able to have clean or near clean coal plants in the Latrobe Valley, or will we have gas and other generation plants scattered around the nation and have the Latrobe Valley become close to an empty shell as far as the power industry is concerned? There is a need, as I have alluded to, for urgent action by state and federal Labor governments. A state government submission to the federal government green paper is not enough. The state government needs to be calling long and loud and hard for federal government action, and it needs to be doing things itself.

We have to minimise the impact of the emission trading scheme through sensible design and, in particular, through sensible start-up arrangements. We have to have well-structured transitional assistance to industry. We need to end the uncertainty the entire sector is facing at the moment. The unknown can be one of the most destructive aspects of any new scheme. As we are seeing with the current economic and financial squeeze,

the uncertainty is the killer. Yet this uncertainty is continuing to have ever-increasing impact on the power sector, because the federal government is just not spelling out the details of its scheme enough.

If the sector knows what the price of carbon is going to be, it can work around that, but the clock is ticking, because industry members are not able to write forward contracts beyond the impending start-up date of the emission trading scheme. That is creating an ever-greater level of exposure and ever-greater concern to the companies and to their bankers. We need to get the starting date set, and we need to get a clear indication of what the initial price of carbon is going to be. That is what we have to do to get the start-up arrangements put in place with minimal possible impact.

Going forward, what we need is help with the impact that is inevitably going to occur regardless of how well designed the scheme is. We are going to need transitional assistance to the sector, to employees and to the broader Victorian economy. One aspect the state government should be pushing for is that the Commonwealth Grants Commission needs to recognise in its allocation of funding amongst the states that Victoria is going to bear a disproportionate share of the national effort in moving to an emission trading scheme. That needs to be recognised in terms of both the impacts on Victoria's revenue and also the costs that will be incurred in Victoria in dealing with the transition. The Brumby government needs to put an argument to the federal government and to the grants commission that at least to that extent the burden on Victoria should be recognised and an adjustment made for it.

We also need to be developing and supporting alternatives to traditional coal-fired plants. Wind power generation has a role to play in that, but it also has limitations. It should not be being imposed in environmentally sensitive areas where the local community is not supportive. In regard to location, there needs to be recognition of the transmission costs involved, and strategy involving wind power also needs to recognise that wind power has its limitations because it is unpredictable — power is generated only when the wind blows — and therefore a balancing with capacity from other sorts of generation is needed.

Solar power is another promising technology, and we are certainly supportive of the previous federal government and ongoing state and federal governments support for research and development of solar power. Geothermal generation is another potential source of

energy, and again research and development in that area deserves support.

Professor Garnaut, however, made one sensible observation in this respect: that going beyond research and development and facilitation, the best way to sort out the roles that each of these technologies and clean coal can play in an emission constrained world and in contributing to emission reduction is through an emission capping and trading scheme. If you try to micro-manage each form of technology in the marketplace, you are going to get a suboptimal result.

In respect of coal, there is an enormous amount of work going on around the world as to what can be done to make coal cleaner. Last week the European Union Parliament Environment Committee voted to impose a limit of 500 grams per kilowatt hour on emissions from any new power plants within the European Union. That would lead to a dramatic reduction in emissions compared with traditional brown coal or black coal plants. The committee also voted to commit €10 billion worth of the emission allowances within the European Union scheme towards 10 demonstration CCS (carbon capture and storage) projects. Norway is also doing advance work on emission trading, and there is a pilot plant about to commence full operation in Germany, using carbon capture and storage.

There is a lot of work being done around the world. Of course Victoria has a key interest in this, given the massive brown coal resource we have here in the Latrobe Valley. We have a part to play not only with carbon capture and storage but with the HRL plant demonstration. This plant of substantial size is under way and has enjoyed bipartisan support at both levels of government. It is aiming for around a 30 per cent reduction in emissions, and it is also aiming to be CCS ready as and when CCS technology becomes available.

This technology has enormous export potential, which is probably as valuable a component of it as any component. Achieving a 30 per cent reduction in emissions is a long way from a total solution to the problem, but it is a substantial abatement compared with existing emission levels. If that technology is deployed worldwide, particularly in places such as China, it can achieve a very worthwhile first step in the reduction in emissions.

The other key technology is geosequestration, which is the subject of the bill we are considering today. Geosequestration is not a guaranteed solution. There are many scientists who think it can be done but that it is a question of at what price it will come. I am told it will take around 30 per cent of the gross energy output

of a plant to drive the geosequestration process. That percentage may diminish if technology improves.

Other scientists raise doubts about whether various aspects of the process will be feasible. They raise concerns about some of the high pressures involved and potential corrosion and other problems in the piping. Yet other scientists put forward suggestions that there are other options for storage of carbon dioxide that may be better, including even seabed storage. It is argued that if carbon is stored at a sufficient depth, it will be just as stable on the seabed as it would be underground, and at a far lower cost.

There is a whole range of options and issues there. Indeed there are other completely different ways in which it may be possible to use coal in a better way, thereby generating fewer emissions. A number of members may be aware of an argument that has been put forward that it is possible to split up coal to use the gaseous component of coal for power generation, to free up water that can be put to good use and to have a residue of coking coal, which is a high value-added product that can be exported. Other scientists are looking at the option of turning coal into effectively an equivalent of diesel and using it as a diesel substitute rather than in brown coal power plants. A lot of these options are available. Again, which one of these options is going to work best in the marketplace is probably something that is best left to being driven by an efficient and well-designed emission capping and trading scheme.

However, there are two key roles that government can and should play in relation to geosequestration. The first role is in continued research and development, given Victoria's particular interest in geosequestration and our dependence on brown coal. This side of the house supports what the former Howard government got under way in conjunction with the state government and what is continuing to be supported at a state and federal level for research and development into geosequestration. The other key aspect is facilitation of the installation of a regime for geosequestration. As I have referred to earlier, we have seen from the current financial crisis around the world that markets can only work properly when the government has first set up the regulatory and legal framework in which they can operate effectively. In relation to geosequestration, particularly the component of the storage of carbon dioxide in the ground, we need a legal regime under which that can take place. That is what this bill is directed towards — that particular component of the overall challenge that we face.

The bill provides for a framework that is based largely on petroleum law and also draws on some aspects of mining law. It provides for exploration permits for underground cavities that may be suitable for carbon dioxide storage. I should make the point that this bill governs only the onshore areas of Victoria. It provides for retention leases where suitable storage locations are identified but where the commercial use for them is not yet available. It provides for the issue of injection and monitoring licences for people to inject these gases underground and also has a regime for what is called the unit development where different parties may have different interests in a particular cavity area. It provides that for the first four years after the legislation comes into operation the Department of Primary Industries will have full responsibility for its operation and thereafter the Environment Protection Authority will take over the monitoring and verification role.

The opposition supports this bill because it is an important component of what the state needs to do to facilitate carbon capture and storage if, as we all fervently hope, the technology proves viable. However, we raise some concerns about it.

Firstly, there is a very broad range of powers given to the minister in administering the act. In some respects those powers are analogous to those the minister may already have under the petroleum or mining law. These powers under the bill will be exercised in an entirely new and in some ways controversial context, because there may well be occasions when the interests of those wanting to use space for geosequestration will come into conflict with the interests of those who have mining, petroleum or gas extraction interests over the same physical area. There will be a challenge as to how the minister reconciles those competing interests.

There is another even more crucial aspect of the bill and the minister's powers under the bill — that is, the arrangement for handling the long-term component of the scheme. Underground storage of carbon as far as we know needs to last as close to forever as makes little difference. The carbon cannot be stored in a way that allows it to leak out over the years. Some say there may come a time when the stored gases will have an economic value and if that proves to be the case that will be a future opportunity, but for the moment the task is to make sure the gas is securely stored underground. The regime that the bill proposes for that is that after a period of time when it appears the storage of gas has become stable, responsibility will be transferred from the licence-holder to the state. In other words, the Crown in right of the state of Victoria will assume long-term responsibility for monitoring the areas in which greenhouse gases have been stored. That

is something the operator of the injection — the holder of the licence — is going to have to pick up the cost for. They will be required to make contributions towards the estimated amount of the cost over the period in which they operate a facility for injecting the gases.

This is the point that creates the concern because, as one industry party has said to me, 'There needs to be certainty. You are not going to get people taking on a CCS process, taking on all the costs and risks of being an injector of carbon dioxide underground as part of geosequestration if, at the end of the day, the bill you are going to be presented with by the government for the ongoing monitoring of the stored gases is something you do not know'. You are going to need to know up front either what the cost is that you are going to have to pay towards it or at least a clear and objective formula which you can model to get a pretty fair estimate as to what your cost exposure is going to be under various scenarios. If you do not have that, there is a risk that people will say, 'I cannot model the economics and I cannot get anybody to finance it because there is this open-ended cost down the track when the government is going to present me with a bill for an unknown amount'.

The second-reading speech and the bill itself are unclear as to how this is going to work. The second-reading speech talks about contributions towards the estimated cost of the ongoing monitoring. Clause 112 also deals with that issue, but I would be keen for the minister to explain what the arrangements are that he has in mind as to how this is going to work. Is there going to be some certainty given up front to someone who is minded to start a storage facility as to what those end costs are going to be, or is the proponent going to be told, 'No, we will work that out down the track'?

It is worth making the point that in Europe the European Union Parliament Environment Committee is talking about putting 50 years worth of responsibility on the operators of CCS plants, so I would be interested in learning how long the minister expects it will be before a plant is handed over to the state under the Victorian legislation. That is a crucial aspect of this bill that is going to need very careful attention.

In conclusion, Victoria desperately needs to get clean coal to work. This bill is a first step on a small part of the framework. It is likely to need further attention, and it may need amendment. Even more importantly, there is a need for urgent action by both state and federal governments to ensure that the commencement of the emission trading scheme does not cause massive disruption to the Latrobe Valley, in particular, and to

the Victorian economy in general due to poor design and implementation. Both state and federal governments need to ensure that as much as possible is done now to minimise the further impacts over time on the Latrobe Valley and the Victorian economy.

If that can be done, then there is the prospect that the Latrobe Valley can see through this threat and potentially capture the upsides, but if the state and federal governments fail to act effectively now, the Latrobe Valley will have a very serious threat continuing to hang over its head, and the years to come are likely to be very difficult indeed.

Sitting suspended 12.59 p.m. until 2.04 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Minister for Industry and Trade: conduct

Mr CLARK (Box Hill) — My question without notice is to the Premier. Will the Premier confirm to the Parliament and the people of Victoria that neither he nor his staff had any knowledge of the allegations of sexual assault against the former Minister for Industry and Trade prior to 4.30 p.m. on Monday, 13 October?

Mr BRUMBY (Premier) — I thank the honourable member for his question. As I said to the media yesterday, the first advice I had that Minister Theophanous was the subject of an official police investigation was when he phoned me yesterday, and he was able to confirm that to me because — —

An honourable member — On Monday.

Honourable members interjecting.

Mr BRUMBY — Sorry, on Monday, not yesterday — because on Monday he spoke to Victoria Police, and they confirmed to him that there had been an official complaint, that it was being investigated and that he would be the subject of a police interview.

Mr Clark — On a point of order, Speaker, the Premier is not being relevant to my question. My question did not relate to police investigations, it related to knowledge of allegations of sexual assault. I ask you to bring the Premier back to answering that question.

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

Housing: government initiatives

Ms GRALEY (Narre Warren South) — My question is to the Premier. I refer the Premier to the government's commitment to making Victoria and Gippsland the best places to live, work and raise a family, and I ask the Premier to detail for the house how the government's support for homebuyers is delivering on that commitment.

An honourable member — Tell us about stamp duty.

Mr BRUMBY (Premier) — I am about to! I thank the honourable member for her question. As honourable members are aware, two weeks ago I took to the Council of Australian Governments a plan to stimulate the state and national economies, particularly through two measures. One was bringing forward capital works and both accelerating and adding to capital works projects. The second was to provide more assistance to homebuyers, with a particular focus on first home buyers. I am therefore delighted with the announcement made yesterday by the Prime Minister and particularly with the extraordinary level of support that is now being provided by the federal government to assist in stimulating the home buying industry.

I made the point in Parliament last week that there is no better mechanism to stimulate an economy in a period of global economic slowdown than through the residential construction market. Moreover, incentives can be provided to help bridge the gap between housing supply and housing demand. In those circumstances I was delighted with the announcement yesterday, and make the obvious point to members of the house that these grants come on top of the assistance that we are already providing in Victoria.

We provide the most generous assistance to first home buyers of any state in Australia. We were the first state to abolish stamp duty on mortgages, and of course in the recent budget we cut stamp duty.

Honourable members interjecting.

Mr BRUMBY — Although the opposition hates to hear it, Victorians now pay less stamp duty as a percentage of a median house price than they did under the Kennett government.

Honourable members interjecting.

Mr BRUMBY — And of course our pensioners get the most generous assistance towards buying a home of any state in Australia in terms of the stamp duty concession.

In addition to paying for and administering the \$7000 first home owner grant, which the states now pay for, we have also introduced the successful first home bonus of \$3000 for first home buyers — and for newly constructed homes, as we announced in last year's budget, we pay \$5000 for homes in Melbourne and an additional \$8000 for those in regional Victoria.

The Prime Minister announced yesterday assistance for those who buy existing homes and also provided an additional \$14 000 of assistance for first home buyers who buy a newly constructed property. That means, if you add that to what we announced in the budget, if you add that to the \$15 000 that we provide —

Honourable members interjecting.

The SPEAKER — Order! The members for Warrandyte and South-West Coast will cease interjecting in that manner, or they will not stay for the remainder of question time.

Mr BRUMBY — If you add the \$14 000 announced yesterday by the Prime Minister to the \$15 000 we provide, which was announced in the budget, a first home buyer buying a house and land package in regional Victoria in, say, the Latrobe Valley, will get a grant of \$29 000.

Honourable members interjecting.

Mr BRUMBY — I will come to that. With a house and land package the stamp duty is payable on the land. On a house and land package of \$280 000 the stamp duty is around \$3000, so \$29 000 less \$3000 is \$26 000 cash in the pocket.

Honourable members interjecting.

Mr BRUMBY — The opposition hates helping first home buyers.

The SPEAKER — Order! The Premier will not debate the question. I ask once again that members of the opposition cease interjecting in that manner, and I suggest to the member for Hastings that if he has a question to ask, he should stand in his place at the appropriate time, and I will call him.

Mr BRUMBY — As I said, this is the most generous assistance offered to a new first home buyer anywhere in Australia. As I said last week, since we introduced our first home bonus we have made more than 130 000 bonus payments. I am pleased to advise that as of 3 hours ago, in postcode 3844 — Traralgon, Traralgon East and Traralgon South — we have made 1021 payments. In postcode 3825 — Moe and Moe

South — we have made 619 payments. In postcode 3840 — Morwell, Morwell East and Morwell Upper — we have made 521 payments. In postcode 3850 — Sale — we made 467 payments, and in Churchill, the area in which Parliament is today meeting, the figure is 191.

What I can also say after yesterday's announcement is that the Housing Industry Association, along with the Master Builders Association of Victoria and others, strongly supported this package. To quote the Victorian acting executive director of the HIA in Victoria, Robert Harding:

The announcement by the federal government and the previous budget commitments by the Brumby government is a fantastic opportunity for first home buyers in Victoria ...

As the HIA pointed out, the assistance provided in Victoria for first home buyers buying a house and land package is more generous by far than any other state in Australia.

Minister for Industry and Trade: conduct

Mr CLARK (Box Hill) — My question without notice is to the Premier. Has the Premier sought any assurances from his cabinet colleagues, in particular the Attorney-General and the Minister for Police and Emergency Services, as to whether they had any knowledge of the allegations of sexual assault or a police investigation against the former Minister for Industry and Trade prior to 4.30 p.m. on Monday; if not, why not?

Mr BRUMBY (Premier) — As I said in answer to the first question from the honourable member, the Minister for Industry and Trade contacted Victoria Police on Monday afternoon. He did that because there had been rumours which were, in his words, 'circulating', and there had been a rumour broadcast on a prominent Melbourne radio station that morning.

He rang Victoria Police and asked them whether a complaint had been made. The answer was in the affirmative. He asked whether the complaint was being investigated. The answer was in the affirmative. The third question he asked was whether he would be the subject of an interview. He then rang me and advised me that he had been informed by Victoria Police that he would be the subject of an official police investigation. That was the first information that the government had of that matter.

Questions interrupted.

DISTINGUISHED VISITOR

The SPEAKER — Order! I acknowledge in the gallery today a former minister and member for Morwell, Keith Hamilton.

Questions resumed.

Public transport: Gippsland

Mr PERERA (Cranbourne) — My question is to the Minister for Public Transport. I refer the minister to the government's commitment to making Victoria and Gippsland the best places to live, work and raise a family. I ask the minister to detail for the house how the government's recent improvements to passenger rail services are a demonstration of the government's delivering on that commitment.

Ms KOSKY (Minister for Public Transport) — I thank the member for Cranbourne for his question and his interest in public transport, particularly in the Gippsland region. This government has made an unprecedented commitment to regional passenger rail right around the state. Every day someone thanks me or a member of the government for the commitment and the investment we have made. They do not thank the opposition — they would not go near the opposition.

Honourable members interjecting.

The SPEAKER — Order! The minister will confine her remarks to the question. I once again suggest to the opposition that the level of interjection is far too high.

Mr Mulder interjected.

The SPEAKER — Order! The member for Polwarth will not interject in that manner.

Ms KOSKY — I would have thought that the opposition — —

The SPEAKER — Order! The minister will not lecture the opposition.

Ms KOSKY — Rail is not a laughing matter. It is very important. That is why members of the Victorian public are very appreciative of the investment of this government. The member for Gippsland East, who has been a huge advocate for the return of services to Bairnsdale, is also very appreciative and certainly thanks the government on a very regular basis for the investment we have made.

Today marks 1626 days since rail passenger services to Bairnsdale were reopened by this government on 3 May 2004.

Ms Asher interjected.

Ms KOSKY — I have a lot of announcements around rail passenger services to Gippsland. Occasionally I think it is important to reflect on the significance of this milestone and the importance and significance of the investment that was made by this government. The Premier of the time, Steve Bracks, made the comment on 2 May 2004:

This is more than just a train service — it is part of the heart and soul of the community and a catalyst for regional development, tourism and jobs.

Those opposite still continue to denigrate regional rail. We know where their policies sit. He went on to say:

We are one of the few governments in recent memory to bring back train services and invest properly in them, instead of shutting them down.

We are incredibly proud of the investment we have made in regional rail services, in opening up lines that were closed by the previous government and also in the investment in regional fast rail. Since 2006 V/Line has introduced an additional 78 services each week for the Latrobe Valley, 66 services for Drouin and 81 services each week for Warragul. Nearly 3 million passengers have used V/Line Traralgon services since October 2006. Almost 375 000 passengers have travelled to Bairnsdale and Stratford on the reopened rail line since May 2004.

Patronage on V/Line is continuing to grow because of the investments we have made in the extra services, in the rail line and reopened lines. Patronage on V/Line train services through Gippsland is growing fast, as it is right across the state. We have had a total of 39 per cent growth over the past two financial years through to June 2008 in Gippsland, the Bairnsdale–Sale train service has grown by 43 per cent, the Traralgon commuter service has grown by 37 per cent and 150 000 passengers a month are now using the Gippsland rail corridor. There is plenty to be pleased with in relation to the rail services in Gippsland.

In August I was pleased to be with the Premier to ride the first V/Locity carriage, the interim carriage, that has converted two carriage sets to three carriage sets. That travelled along the Traralgon line to Drouin. Many of the people we spoke to on that day were just delighted with the investment, but also with the fact that we are continuing to invest in the expansion of the services. This was the first of an additional 50 V/Locity carriages that the government now has on order and that expands the V/Line fleet. The second V/Locity carriage is already servicing the people of Traralgon as well. Just

these two extra carriages for the Traralgon line have added an extra 76 seats for those carriages.

This is a massive investment we have made; it is an investment we have made deliberately. We have invested in the track, we have invested in the rolling stock, we have invested in the extra services and we also cut V/Line fares by an average of 20 per cent. All of that has led to an incredible increase in patronage. The government and I are delighted that the people of Gippsland are so pleased and delighted with our investment in regional rail services.

Princes Highway: duplication

Mr RYAN (Leader of The Nationals) — My question is to the Minister for Roads and Ports. When will the Victorian government fund its \$140 million share of the duplication of the Princes Highway between Traralgon and Sale?

Mr PALLAS (Minister for Roads and Ports) — I thank the Leader of The Nationals for his question. The Brumby government is proud of its achievements in being able to seek a substantial improvement from the current federal Labor government in terms of its commitment to fund AusLink projects. It was not so long ago that we received as little as 16.5 per cent of national funding under the previous federal government. Under the current federal government we have commitments to 25 projects, and 20 of them are out of our preferred list of AusLink projects contained within this government's lobbying document *National Transport Links — Growing Victoria's Economy*. That has indicated that one of those critically important processes, one of those critically important roads, is in fact Princes Highway east.

The government for its part was pleased to see that the federal government incorporated within the recent budget an allocation for the purposes of planning and design work to continue. This government has continued to indicate its willingness to make a contribution. We believe the funding of Princes Highway east is critically important and we will continue the process of funding it.

Mr Ryan — On a point of order, Speaker, the minister is debating the question. I simply want to know when the money is going to arrive.

The SPEAKER — Order! There is no point of order. The Leader of The Nationals knows well enough not to take a point of order to repeat the question.

Dr Napthine interjected.

The SPEAKER — Order! I have already spoken to the member for South-West Coast. I warn him.

Mr PALLAS — As this government is clearly committed to working in partnership with the federal government, we will make a contribution together with the federal government. It is probably important to make sure you actually know what it is you are building and exactly how it achieves the outcomes that are necessary to get the freight efficiency that this area so vitally requires.

Let us not forget that those opposite sat silent for years — —

The SPEAKER — Order! The minister will not go down that path. The minister to conclude his answer.

Mr PALLAS — It was a path, Speaker.

The SPEAKER — Order! The minister, to conclude his answer.

Mr PALLAS — This government will commit to appropriate funding once the AusLink 2 agreement is completed with the federal government, but of course those opposite may well want this government to sign up to an agreement without extracting maximum value for the people of Victoria. Those on this side of the Parliament seek to extract maximum value for the people of Victoria.

We have indicated, unlike any other state, that we will commit 25 per cent of the total federal allocations. We will make sure this project is delivered. It is one vital to Victoria, but we are not going to sign up to provide a blank cheque. We are going to make sure Victoria and the people of Sale and other places get an appropriate service and get the maximum commitment from the federal government.

Schools: Gippsland

Ms LOBATO (Gembrook) — My question is to the Minister for Education. I refer the minister to the government's commitment to making Victoria and Gippsland the best places to live, work and raise a family, and I ask the minister to detail for the house how the government's investment in education in the Gippsland region, to ensure that every child has every opportunity to reach their full potential, is an example of the government delivering on that commitment.

Ms PIKE (Minister for Education) — I thank the member for Gembrook for her question. On the way down to this historic sitting of the house in Churchill today I was delighted to have the opportunity to take a

detour off the main road to visit Longwarry Primary School. I went to that school to have a look at the wonderful programs that are being delivered to the students in that school, to meet the principal, to meet a number of the parents who gathered there, to meet the students and particularly to tell the whole school community that the school will receive funding through the government's Better Schools Today program.

Not only will that school receive funding but Poowong Consolidated School, Heyfield Primary School, Nyora Primary School, Stratford Primary School and Loch Primary School, all of which are in this region, will have access to additional funding. These schools are small schools doing a fantastic job within their own local communities, and they will receive funding boosts of between \$300 000 and \$500 000 to upgrade their education facilities for the young people in their communities.

We have said many times that we are absolutely committed to the reality that education is this government's no. 1— first — priority. We want to continue to ensure not only that we have a quality workforce but that our workforce has modern and contemporary facilities in which our children can receive a good education, take advantage of their opportunities and reach their full potential.

This program is about modernising classrooms and staff and administrative areas, as well as indoor and outdoor teaching spaces. It is further proof that the government is fulfilling its commitment to spend \$1.9 billion in the Victorian schools plan in this term of government rebuilding, renovating or extending all Victorian government schools by 2017. Since 1999 we have invested \$145 million of extra funding in Gippsland schools.

Just this year I had the opportunity of visiting a number of schools and opening brand-new school facilities as well as announcing further redevelopments. Moe Primary School in South Street will receive \$3.9 million for a staff administration centre, library and classrooms. Traralgon South Primary School will receive \$1.8 million, Orbost Secondary College will receive \$2.6 million, and Mirboo North Secondary College will receive \$673 000. The Premier and I had the pleasure of visiting Maffra Secondary College to announce the \$5.3 million redevelopment of that school, and that came on top of the \$4.1 million that was provided to Maffra Primary School. That is a \$9.4 million capital injection into the community of Maffra to make sure that the children of Maffra have the best quality facilities for their education.

On 30 April a member for Eastern Victoria Region in another place, Johan Scheffer, officially launched the Gippsland Youth Commitment. It is a very important local initiative that has been facilitated with the three Gippsland Local Learning and Employment Network communities with the purpose of ensuring that all young people aged between 15 and 19 years are engaged in education and training pathways or appropriate employment after they have completed year 12. It is a great initiative involving partnerships between education providers, local industry and local non-government organisations. People in this community really care about their young people, and we are delighted to be able to support the community in its initiative.

We have a very strong record in the Gippsland region of providing quality education services for this community, whether it be the provision of 850 additional staff, the multimillion-dollar injection of funds into new facilities or additional services. We want to make sure that every child in Gippsland has the opportunity to reach their full potential because we know that investing in their education gives them the best chance to do just that.

Mr K. Smith interjected.

The SPEAKER — Order! The member for Bass will cease interjecting in that manner.

Gippsland Lakes: entrance

Mr INGRAM (Gippsland East) — My question without notice is to the Premier. It relates to the extremely successful hopper dredge component of the sand management trial at Lakes Entrance, which has increased the water depth and resulted in improvements in safety, economic activity and access and usability for all vessels crossing the bar at Lakes Entrance. I ask: when will the government commit to replacing the ageing *April Hamer* dredge with a more efficient hopper dredge to protect the important fishing and boating industry of the Gippsland Lakes?

Mr K. Smith interjected.

The SPEAKER — Order! I warn the member for Bass.

Mr BRUMBY (Premier) — I thank the member for Gippsland East for his question. As members are aware, the entrance at Lakes Entrance is a man-made entrance, and for that reason it needs to be regularly dredged so that it is available for both the fishing industry and the tourism industry. The combination of tourism, boating and fishing at Lakes Entrance represents hundreds of

millions of dollars of economic activity to the state each year.

The *April Hamer*, which was the original dredge put in place back in the 1970s — in 1976 or 1977 — is obviously coming to the end of its life. In 2005 the government announced additional funding to try to alleviate these issues with dredging in Lakes Entrance. I was the Minister for State and Regional Development at the time, and I remember making the announcement. It was an announcement of \$31.5 million to improve the dredging which occurs there.

The honourable member said the trial had been completed. I am advised the trailer suction hopper dredge trial undertaken as part of that \$31.5 million Lakes Entrance sand management program removed something like 290 000 cubic metres of sand from the bar in four months and a further 300 000 cubic metres from inside the entrance. That is relevant because the *April Hamer* can handle only 330 000 in a whole year, working 76 hours each fortnight. The trial was successful. I am further advised that the trial demonstrated that side-cast dredging is no longer the most appropriate method of keeping the bar open and safe for navigation.

Finally, I can say that as a result of the trial, Gippsland Ports has advised that building, owning and operating a new dredge may not be the optimum solution for keeping the entrance open, and it is investigating the cost-effectiveness of all options. I am further advised that a recommendation on the dredge replacement options will come to the government in mid 2009 and that all of the work to date has been consistent with the time frame that we set out when we approved the \$31.5 million.

Gippsland: health services

Mr DONNELLAN (Narre Warren North) — My question is to the Minister for Health. I refer the minister to the government's commitment to making Victoria and Gippsland the best place to live, work and raise a family. I ask the minister to detail for the house how the government's recent investment in health services is delivering better health outcomes in Gippsland.

Mr ANDREWS (Minister for Health) — I thank the honourable member for Narre Warren North for his question and for his interest in better health outcomes across Victoria. Health services across Gippsland are facing a growing number of patients presenting for care — for the dedicated care and support that is so important them and to the local area. I say to you,

Speaker, and to all honourable members, that those local health services are best placed to deal with the record number of patients presenting for care because as a government we have delivered increases in funding — very substantial boosts in funding — in each and every year of our time in office.

Since 1999 health services across Gippsland have shared in budget increases of more than 83 per cent. To put that another way, the total acute recurrent budget is now \$245 million per year. That is \$245 million a year shared across the Gippsland region to provide support and assistance to families and individuals. That is fully \$111 million more today than was the case in 1999. There can be no doubt that this government, the Brumby Labor government, is giving local health services in this region the resources they need to treat more patients and provide better care.

To give honourable members a sense of what that means, let us look at cancer services. We as a government proudly supported the development of the Gippsland Cancer Care Centre at the Latrobe Regional Hospital. That is a fine service that is about providing proper care to local residents in the community the residents helped to build. That is what is important. That cancer centre is treating around 80 patients each and every day.

I will give a more specific example of outcomes and refer to regional radiotherapy, which is so central in a general sense to modern and efficient cancer care. Through the single machine unit trial and the work we have done to support regional health services through our cancer action plan, I can proudly say to honourable members that 750 patients in this local community or in communities across this region have received their radiotherapy service at the Gippsland Cancer Centre since those services opened in 2006. That is 750 people who might otherwise have had to travel to Melbourne to get the radiotherapy that is so important to their own cancer journey and in supporting better health outcomes for them and for those who are close to them.

What is also important is that many of those 750 people may have never taken up a course of radiotherapy treatment or may have discontinued their potentially life-saving radiotherapy treatment because no service was available in their local community. If ever an example gives you a clear sense of the power of investment in local health services, I would say that is it. It is a great example of how our government's consistent investment in the health services that matter to local communities delivers real benefits for local communities. I can say to all honourable members that we will continue to provide those funds and continue to

provide that support to health services in this community and to health services right throughout rural and regional Victoria, because I know and we know the power of those investments.

Let me conclude by saying that whether it be in relation to cancer services or in relation to boosting ambulance services, emergency department care, elective surgery or maternity care or, as we stand here at the Churchill campus of Monash University, providing record support to train an ever-growing number of undergraduate medical students, this government will continue to provide communities right across Gippsland and right across rural Victoria with the support that is so important to providing better health outcomes for the future.

Bushfires: Gippsland

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier. Given that the Environment and Natural Resources Committee has recommended increased prescribed burning in future, and that this has been estimated to cost up to \$100 million, will the Premier commit the government to that funding to ensure that Gippsland is spared a repeat of the massive bushfires of 2003 and 2006?

Mr BRUMBY (Premier) — The report was tabled in the Parliament and my understanding is that the government will be responding to that report within the usual time frames.

On the issue of fire prevention and fire support, I am happy to provide the exact figures to the Leader of the Opposition, but the increase in funding which we have made available to fire services has been very substantial. When we first came to government the ongoing budget for the Department of Sustainability and Environment (DSE) for its fire services was at a very low level. What used to happen was that the budget was topped up from year to year by way of Treasurer's advance. After the major fires that we had some years ago and the Esplin report, we changed the arrangements and we built into the DSE a much, much higher level of base funding to enable some of the prevention burning to occur during the year and to provide a larger permanent DSE workforce to best protect communities.

As I said, I am happy to get the figures for the Leader of the Opposition. My guess would be that the increase in funding is very substantial indeed. In fact if you look at the amount of prevention burning which has been occurring during the year, the increase has been

substantial against the low levels of the earlier part of this decade.

Mr Ryan — On a point of order, Speaker, the Premier is debating the question. The question was about prospective funding, not retrospective funding, and the question sought information regarding future allocations, not past allocations. I ask the Premier to answer it.

The SPEAKER — Order! I do not uphold the point of order. I believe the Premier is being relevant to the question.

Mr BRUMBY — As I have indicated, the government will respond to the report — I said that at the start of my answer — within the normal limits that the Parliament applies, and we will respond fully to the recommendations in the report. I just make the point in terms of preparedness for the fire season I believe all of the initiatives that we have put in place, including the substantial increase in core funding for DSE, the substantial rollout of additional support and facilities for the Country Fire Authority. I might say I met last weekend with the Minister for Police and Emergency Services and the CFA and the volunteer fire brigades — —

Mr R. Smith interjected.

The SPEAKER — Order! The member for Warrandyte has already been asked not to interject.

Mr BRUMBY — During that meeting I was regaled by story after story of new investments that have been made over recent years by our government in improved CFA facilities. Ditto over the last two budgets: there has been a substantial increase in the provision of equipment to the CFA, particularly the 2350-litre fire trucks which are being produced in Ballarat and which are being provided to CFA facilities right across the state.

The SPEAKER — Order! I believe the Premier is debating the question.

Mr BRUMBY — All of these things are about making sure that we are properly prepared for the fire season. I believe the significant investment we have made in the system in recurrent funding, new equipment and in support for the CFA gives us a much higher level of support than we have ever previously enjoyed.

Racing: Gippsland

Mr HARDMAN (Seymour) — My question is to the Minister for Racing. I refer the minister to the government's commitment to making Victoria and Gippsland the best places to live, work and raise a family. I ask the minister to outline to the house initiatives that are assisting the racing clubs in Gippsland and how this is encouraging investment in the racing industry.

Mr HULLS (Minister for Racing) — I thank the honourable member for his question and his ongoing commitment to country racing in this state. The government has ensured that racing in the Gippsland region is conducted safely and with the best facilities for participants. In this time of drought we have assisted the racing industry to develop mechanisms to minimise its call on precious water reserves. In fact the government has funded the construction of an irrigation dam for the Sale Turf Club to the tune of \$160 000. We have also provided some \$12 000 to the Stony Creek Racing Club to upgrade the irrigation pump, ensuring a more efficient use of water at that club.

In areas of occupational health and safety, we have ensured that the participants in the industry have the safest possible working conditions. With that in mind we have also provided some \$600 000 to redevelop the kennels at the Traralgon Greyhound Racing Club, to ensure double-storey kennels are replaced with single-storey kennels, which is a big occupational health and safety issue in that industry.

The government is committed to improving conditions at country racetracks and has ensured that the Victorian racing industry is strong. In doing that — and it goes to the second part of the question — we have encouraged investment in the racing industry, which is demonstrated in a whole range of ways, not the least of which is the much-welcomed investment in horses.

I am aware, for instance, that the member for Polwarth has recently made some investments in horses. I congratulate the member on those investments, and he is nodding his head. It would seem though that he is sending a message to his colleagues by naming the horses Tribalism and Jagged Man.

The SPEAKER — Order! I ask the Minister for Racing not to debate the question.

Mr HULLS — Speaking about investments, we have also provided \$99 000 to the Moe Racing Club to upgrade track lighting, enabling early morning training to be conducted in much safer conditions. I am sure that

initiative will help the field for Moe's premier race day tomorrow, which is Moe Cup Day. I expect it will be a great meeting, and I urge all members of this place, if they can, to attend. I have to say I do not expect there will be any money placed by those opposite on horse no. 7 in the cup, which is called Doingthehardyards — something they refuse to do.

Honourable members interjecting.

The SPEAKER — Order! I ask the Minister for Racing not to debate the question.

Mr HULLS — I will not debate the question, Speaker. Our policies will continue to revitalise country racing in this state, but there are two horses that summarise the policies of those opposite: Hoaks and King Hoaks!

MINISTERIAL STATEMENT

Energy: carbon emissions

Mr BRUMBY (Premier) — On behalf of the Victorian government I thank the people of the Latrobe Valley and the Gippsland region again for their hospitality at this sitting of the Victorian Parliament's Legislative Assembly in Churchill, and I wish to make a ministerial statement.

Gippsland is the heartland of Victoria's energy production, built on decades of hard work and innovation. We owe much to those early communities and industries, so it is appropriate to talk here about our plans for the future of Victoria's energy. It is also timely, because energy is entering a new and challenging period. Brown coal from the Latrobe Valley has powered our homes, cities and towns for nearly a century and has helped turn Victoria into an economic and industrial powerhouse — and it continues to generate 90 per cent of our electricity.

Gippsland Basin oil and gas reserves have also made a major contribution to our state. However, our fossil fuels, and especially coal, have also made Victoria a major greenhouse gas emitter. With a rapidly changing climate and the introduction of carbon constraints, Victoria's energy system will require new technologies and new solutions — for how we make energy and how we use energy. The Victorian government has a bold and comprehensive plan to guide this to ensure that we lock in our future locally and globally.

Victoria's energy sector has gone through major reforms over the last two decades — industry restructuring, the introduction of competition and

independent regulation and the creation of a national energy market. With the introduction of the federal government's carbon pollution reduction scheme and the expanded mandatory renewable energy target, our priority is now to build on these reforms and tackle an even tougher challenge. That challenge is the rebuilding of our energy sector over the next 40 years so that we can play our part in tackling climate change while also helping to meet the energy needs of Australia and increasingly the world. As I said in my comments this morning upon the opening of today's parliamentary sitting, we want the Latrobe Valley to be a key part of this.

We have four main options for meeting our needs for low-emission energy. Firstly, we can increase our use of renewable energy. Secondly, we can produce more gas-fired power, replacing coal. Thirdly, we can produce near-zero emissions from coal, using carbon capture and storage. Fourthly, we can increase the efficiency of energy use.

There are advocates for nuclear power, including the federal opposition, but in our view that is a risky and costly path down which this government will not travel. There are people who say that our energy future lies in a single solution — clean coal, or more natural gas, or only renewables, or simply using less energy. But the reality is there is no silver bullet.

Renewable energy has great promise and in the very long run may well be the planet's main energy source, as our stocks of fossil fuel diminish and become costly to access. That is why government initiatives are stimulating more than \$2 billion of investment in wind power and other renewables through our Victorian renewable energy target scheme, and \$420 million of investment towards large-scale solar power through our energy technology innovation strategy (ETIS). We will soon offer new ETIS grants to companies to build other large-scale renewable energy demonstration plants in Victoria. If this program is as successful as the previous round, it will ignite billions of dollars in new renewable energy investment.

We are also funding research into promising new technologies such as organic solar cells and second-generation biofuels. We are working with the Clinton Foundation on solar thermal opportunities and we will soon legislate for one of the most generous feed-in tariffs in the country to reward households purchasing rooftop solar panels.

But renewables still have limitations. Victorians want lower emissions, but they also want highly reliable power. They may be prepared to pay more for energy,

but they also have to manage their budgets. While some have said that rooftop solar power is the obvious answer, its relative expense and intermittent nature means that large-scale renewables hold the most promise. We cannot put all our eggs in that basket now.

Coal-based energy can be stored. It is cheap and plentiful but it does generate large quantities of carbon dioxide when we use it. That is why we must make coal progressively cleaner. Latrobe Valley coal can only contribute to our long-term energy needs if we use it more efficiently and capture and store the carbon dioxide before it gets into the atmosphere where it will contribute to global warming. Not only do we have a world-class coal resource, but the nearby Gippsland Basin has great promise as a carbon storage site. The weight of evidence is that the burial of carbon dioxide deep underground can be done safely with proper controls, as is already being demonstrated here in Victoria, at our Otways demonstration facility, and abroad.

But we cannot deny that carbon capture and storage has some challenges that must be solved to make it cost-competitive. The Victorian government, together with the private sector, is investing heavily in solving these problems through our energy technology innovation strategy and our world-class geoscience research. If we meet the clean coal challenge, as we are confident we will, it will underpin a thriving regional economy in Gippsland and contribute to the energy needs not only of Victoria or the nation but also the rest of the world. We are not alone in this confidence. The Clinton Foundation has identified the Latrobe Valley as one of the world's best prospects for making carbon capture and storage work.

Natural gas produces much lower emissions than coal when used for electricity production, but it is a more limited resource. Its global price has risen sharply in recent years and that is expected to flow through to Victoria's gas prices over the coming decade. Gas will play a greater role in our energy mix, and we are already seeing potential investments in Mortlake and Port Fairy for new gas-fired generation, but its contribution will be constrained by its scarcity relative to coal.

Another source of emission reductions is energy efficiency. Both businesses and households can reduce their emissions by investing in new technologies and modifying behaviour. Again, the Victorian government has innovative policies to drive efficiency, including things such as the black balloons campaign, the Victorian energy efficiency target scheme and the smart meter rollout. But continued growth of population and

wealth here and overseas means that energy use is unlikely to fall enough to meet our climate change goals. Indeed, energy use is still growing.

To summarise our approach, we have to follow several parallel paths to a low-emission energy future. Our energy must come from more diverse sources: various renewables and more gas as well as coal. It will be produced at different scales and come from different places in Victoria: coal and gas in the east, gas and wind power in the west, and solar in the north. Geothermal power has promise throughout the state and there are encouraging signs for wave and tidal power as well. We are planning for a manageable transition to a clean energy future with no shocks to our economy.

Many Victorians want greenhouse gas emissions to be cut quickly, and I share that aspiration, but there is no quick fix. Every new investment, whether in renewables or fossil fuels, requires financing. Major capital items have to be built. Land needs to be obtained, environmental approvals gained, and community concerns addressed. Skilled people have to be hired and trained.

There is intense competition for all of these resources here and worldwide. The recent global economic financial crisis has just added another challenge to be overcome in pursuit of this. Our desire for a fast rebuild of our energy system must be tempered by this reality.

Building a new energy future is a task for the long haul. It will require ambition and patience in equal measure. It will put demands on all parts of our society and economy; it will require innovation and leadership from government, major investments and innovation from the private sector and, of course, the engagement of the whole Victorian community. The Victorian government is playing and will play a lead part in meeting that challenge.

Mr BAILLIEU (Leader of the Opposition) — You have to wonder about this ministerial statement. Why did the Premier bother? If ever there was an opportunity missed, this is it. We are in the heart of Victoria's power industry, at the epicentre of the coal-fired generation industry that supplies around 90 per cent of Victoria's energy needs — an industry not only dealing with the uncertainty flowing from the financial crisis but an industry facing massive change and all the uncertainty associated with the proposed emission trading scheme.

This industry acknowledges its intensive emissions and knows it must change, but it also must deal with financial realities and its ongoing responsibility to

supply power to the people of Victoria. Uncertainty is now the abiding business sentiment of one of our most critical industries. Uncertainty is crippling decision making in the power industry. This industry is desperate for answers on what lies ahead.

Honourable members interjecting.

The SPEAKER — Order! Government members will cease interjecting in that manner.

Mr BAILLIEU — At present coal-fired power generators cannot easily contract for supply beyond the announced 2010 date for the introduction of the emission trading scheme (ETS). Even small businesses will recognise the difficulty that situation represents. What the industry needs is answers, and this statement simply does not provide answers. This was an opportunity to give the families and businesses of the Latrobe Valley the confidence they crave. What an opportunity missed. Everyone wants to see a reduction in emissions; everyone knows an ETS is to be introduced, but there is nothing new in this statement. Nine years in government, all the power, time and money in the world, all the advisers, all the consultants, all the data and all the context; nine years of preparation for this moment and this is it, this is the magic moment — nothing new, nothing certain and nothing clear. Is anyone in the industry wiser because of the Premier's statement? Hardly. What an opportunity missed.

This statement provides nothing of use to the industry or the community. It has no details and no new commitments. We searched, but there are none — no targets, no timetable, no assurances and barely a sense of direction. The member for Box Hill and I read this statement yesterday in disbelief. As is required by the house, the statement was delivered to us in advance, and we thank the government for that. The statement proclaims the government's 'bold and comprehensive plan to guide the industry'. We turned the pages in anticipation of something — anything — of significance.

Mr Hulls interjected.

Mr BAILLIEU — Page after page, paragraph after paragraph, and the Deputy Premier says it should have had pictures. While the Premier was making that statement the Deputy Premier sat here sending text messages to his mates. That is how much he cared about it. What a disappointment this statement has been. As the member for Box Hill remarked to me, it was little more than energy policy 101 and a repeat of a

few previous announcements. Uncertainty continues and nothing has changed.

This statement barely acknowledges the enormous challenges the Latrobe Valley generators are facing. There is no mention of their immediate needs. Where is the acknowledgement of the planning required by generators; the imperative to make maintenance investment decisions on existing plant now; the impact of ageing plant, the risk of increasing maintenance down time; and the increased risk to supply reliability that comes with that?

There is also the up to 30 per cent efficiency cost to generators associated with clean coal technology, which will see a significant amount of power used to capture and store coal which in turn will require replacement generation; and the likely cost of up-front fees to purchase permits and the funding necessary.

For all Victorians this is a high-stakes debate. Precious little additional capacity has been provided by this government in its nine years. Some commitments have been on and off the agenda a number of times, but there is still no delivery. I speak of the proposed gas-fired plant at Mortlake and the recent announcement of the gas-fired plant at Orford, but this is a serious issue. The Energy Supply Association of Australia has released forecasts predicting four out of five Latrobe Valley plants will have to close by 2020.

Mr Andrews interjected.

The SPEAKER — Order! The Minister for Health will cease interjecting in that manner or he will be ordered from the chamber.

Mr BAILLIEU — Other new investment in major power plants is on hold pending a resolution of the emission trading scheme issues. On international benchmarks, the national markets generating reserves should be around 15 per cent, but it is now down to 10 per cent and likely to go to around 8 per cent by mid-2009. This is dramatically increasing the risk of blackouts or other power shortages.

Yes, we all know that Victoria is dependent on brown coal; yes, we all know there are options; yes, we all know the Latrobe Valley has the potential to be a centre of excellence for clean coal technology, whether it be conversion capture or generation. Did it really take a visit to California for the Premier to realise that? Does he really need a tick from the Clinton Foundation to make that decision? That is what Victorians accept. That is what we want. But if it is to happen without placing everything at risk, then answers are what is needed.

What this government should have been doing is, as I said this morning, pressuring its federal colleagues in Canberra to provide details of targets and pricing that do not cripple industry, a timetable that allows for orderly and responsible transition, support for existing investments and practical solutions. The Brumby government should be insisting that the federal ETS package provide adequate assistance for those Victorians who will be hardest hit, particularly in the Latrobe Valley. The government also needs to be fast-tracking the process of identifying sites for new power plants and resolving planning issues in advance so that the necessary new plants can be built in Victoria as soon as possible to replace those being forced to sell or to be decommissioned, rather than having other states build those new plants first. They should be pressuring the federal government to recognise that on current evidence it is likely that offshore locations under the control of the federal government have the greatest potential for large-scale sequestration.

It is not as if any of this can be news to the Brumby government. The government has been talking about an ETS for years and promising to introduce one if the federal government did not itself. However, it took private sector modelling to expose the potential consequences to Victoria of an ETS.

This government has been derelict in its duty in either not modelling those consequences or not telling Victorians what was in store. It has failed to help the Latrobe Valley in Victoria prepare for what lies ahead, and now it comes to Gippsland and it has the nerve to make a ministerial statement on energy without a single new initiative in it.

What is interesting in this statement is the limp indifference to renewables. After years of promotion of the wind industry and the government's continuing failure to advance adequate guidelines for the siting of wind energy facilities, now the Premier is talking about limitations and promises in the very long run, about issues of reliability and ifs and buts. Again, despite all previous rhetoric and previous encouragement to families to invest in solar energy, the talk is now of distributed solar systems being expensive and intermittent. The Premier says that we cannot put all our eggs in that basket now. But that is exactly what this government has been doing for years: spinning the rhetoric, not making the decisions, deceiving and dividing communities for little long-term benefit.

We support an emission capping and trading scheme as the least costly way of responding to global warming. However, getting the implementation right, and particularly the start-up right, is crucial to avoiding

unnecessary cost. This government has a responsibility to spell it out now without froth or bubble, but sadly that is exactly what we have got from this ministerial statement. It has been an opportunity missed, and an incredible fizzer.

Mr BATCHELOR (Minister for Energy and Resources) — We have just heard one of the most tragic speeches from the Leader of the Opposition that Parliament has had the honour to hear. In his speech there was not one suggestion — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Ingram) — Order! Members of the opposition will cease interjecting. It is not possible to hear the minister with that level of interjection.

Mr BATCHELOR — The Leader of the Opposition took 10 minutes today and he was unable to produce one suggestion, one idea or one pathway forward. It replicates the style of the opposition which is incapable of doing the hard work.

The public have been given an opportunity to make a submission to the green paper, but did the opposition make any suggestions? No, it did not. It is incapable, lazy, bereft of ideas and next to useless when it comes to talking about ideas and hard work. The opposition is squealing like stuck pigs because it knows it is true. The louder the opposition yells — and the member for Warrandyte knows it is true — it becomes more worried because it has not got an idea. If an idea came up and bit the opposition on the bum it would not know what it was!

We have just heard from the Premier that Victoria's energy system faces significant challenges and this government is prepared to overcome them and to reduce our contribution to greenhouse gas emissions. We have given a commitment to support the 60 per cent reduction of greenhouse gas emissions in Victoria from the year 2000 levels by the year 2050.

As the Premier outlined, we have a considered and a balanced approach which over time will change the energy mix in Victoria. This approach centres on increasing renewable energy, producing more gas-fired power, producing near zero emissions from coal using carbon capture and storage, and increasing energy efficiency. Were any of these ideas taken up by the opposition? No, because it cannot understand them, it does not know how they work, and it has not got an idea.

None of these actions alone will enable us to manage the delicate balance of reducing emissions at the same time as the requirement to keep the lights on and to keep the Latrobe Valley powering. Those are the objectives of this government: to reduce emissions, keep the lights on and keep the Latrobe Valley powering ahead. No idea is yet to emerge from the opposition. But in combination with these aims and with the leadership and practical actions that we have already taken, we will be able to manage a smooth transmission to a lower emission economy. Despite the scaremongering from the doomsayers over there, we will see the Latrobe Valley and the broader Gippsland region play an essential role in the future economy of Victoria.

Two major forces that will drive change in Victoria's energy mix are the introduction of the federal government's carbon pollution reduction scheme (CPRS) and the federal government's expanded mandatory renewable energy target. Getting the design right under the CPRS is the crucial challenge facing the Rudd government; it is the decision-maker and it must get it right.

Honourable members interjecting.

Mr BATCHELOR — The light goes on for these people over there! They have suddenly realised that it is the federal government that is making the decisions here. But the basic premise is that an emission trading scheme — —

The ACTING SPEAKER (Mr Ingram) — Order! Honourable members should stop interjecting like that, and the minister would assist the Chair by not encouraging interjections.

Mr BATCHELOR — The basic premise here is that it is an emission trading scheme that will bring about the biggest reductions in emissions. Our government fully supports that. Putting a cap on greenhouse gas emissions allows the market to find the most efficient and economical ways to cut greenhouse gas emissions through trading and innovation.

We understand the state's heavy reliance on brown coal as a source for our electricity supply, and we are fully aware of the impact of the carbon pollution reduction scheme on the Latrobe Valley. That is why we have been advocating to the commonwealth the need for a scheme that ensures security of energy supply whilst reducing emissions. Unlike the Liberal and National parties, and indeed the member for Morwell, the local member, this government made a formal submission to the commonwealth green paper; at the most critical

time for the Latrobe Valley and on the most important issue what did the opposition to? It did nothing.

Opposition members are lazy, they have no ideas and they always steer clear of anything that requires ideas, commitment or hard work.

In our submission we advocated a scheme that gives investors in the energy sector ongoing certainty and protects households, businesses and regions like the Latrobe Valley from unnecessary hardship. The commonwealth government's green paper acknowledged that coal-fired generation will be hit hard by the national emission trading scheme, and accordingly places like the Latrobe Valley should receive transitional assistance. You would think The Nationals would try to support that instead of opposing it.

The Brumby government strongly supports transitional assistance for the Latrobe Valley generators. We have already demonstrated this commitment by investing across Victoria in clean coal technology. The energy industry across Australia has also invested more than \$2.5 billion since 2000 to reduce emissions by some 6.8 million tonnes per year. Recently Professor Garnaut said that we needed strong and early action to mitigate the impact of climate change, and that is what we are certainly advocating. He stressed that Australia must find out whether there is a low-emission future for coal and for developing and deploying carbon capture and storage capacities, and this is where the Latrobe Valley is going to have a central role and indeed where our community is already making the difference.

Over the years we have worked hard to position Victoria as the innovation economy. We have done this because it is innovation that helps us to compete with the rest of the world, and it is innovation that attracts investment here. It generates demand for high-quality, well-paid jobs, and importantly innovation will help us to make the most of our significant major natural resource, brown coal. That is why three years ago we established the energy technology innovation fund.

Today we have committed almost \$370 million through the energy technology innovation strategy to promote low-cost energy technologies in brown coal, renewables and energy efficiencies. We intend to secure additional funding for our state and to get a significant part of that \$1 billion that the Rudd government has made available for low-emission energy technology.

Some of Australia's first major demonstrations of innovation are already under way in Victoria, here in the Latrobe Valley. We have already committed

\$30 million to International Power Hazelwood for a \$369 million coal drying and combustion technology project. We have also invested \$50 million in the \$750 million HRL development near Loy Yang B, which is a large-scale demonstration power plant that will trial an integrated drying and gasification technology which has been developed here in Victoria.

We are also making substantial investments into large-scale demonstration projects with great commercial potential; these include a \$72 million renewable energy program incorporating solar wind and biomass technologies. We are also providing \$110 million for carbon capture and storage.

We are doing our bit; we are putting up our money; we are providing solutions; we are providing assistance to the commonwealth government. All of this is in stark contrast to those lazy people opposite who are not prepared, who cannot even put in a submission, who have not got an idea and who cannot even put pen to paper to put their ideas to the commonwealth government. They stand condemned here in the Latrobe Valley for doing absolutely nothing. The sum total of the action of opposition members is absolutely nothing — zero.

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

Mr RYAN (Leader of The Nationals) — What is described by the Premier as a bold and comprehensive plan by this government for the future of Victoria's energy system is an absolute dud. The Premier is right in his assertion that the Latrobe Valley has a prominent position in the power generation industry in Victoria. As we know, it is something of the order of 90 per cent. The figures go up and down by 5 per cent, depending on who is producing them, but of the order of 90 per cent of Victoria's power — baseload power in particular — is produced from this great region.

That history lies in the background of Sir John Monash, who was a great engineer, a valiant soldier and an outstanding Australian. This remarkable man, who, quite rightly, earned his extraordinary reputation during the First World War, returned to Australia after that terrible conflict concluded. He was in Australia for several years, went back to Germany and again returned to Australia with the essence of what constituted the power industry in the Ruhr Valley. This remarkable man then became chairman of the State Electricity Commission from 1920 until 1931. It is because of that remarkable era and the great contribution of Sir John Monash that this wonderful industry was born in the Latrobe Valley and that it is

here to this very day. These are issues on which we strongly support the Premier and the government insofar as that commentary is concerned.

This whole issue of an emission trading scheme (ETS) is engaging most of Australia, and quite rightly so, because what we do with it is pivotal to our future as a nation, but we need to have a reality check. Some of the facts in play here need to be taken into account.

In the Latrobe Valley we produce around 8500 megawatts of power. In Australia we have a power grid producing about 32 000 megawatts. In China they add about 1000 megawatts of power to their grid every single week. China, every eight or nine months, completely replicates the whole of the Australian generating system, and India is hard on its heels. Australia, as a nation, produces around 1.5 per cent of the global output of energy; that is our position in things. So it is that the context of the emission trading scheme needs to have regard to Australia's position in things. That is imperative as we make our way in this all-important decision.

Victoria has made a response to the ETS green paper. I pause to say that that response has been the subject of some commentary today by the government. More particularly, there has been government commentary around the fact that it took the trouble to make a response and that it has made a contribution to the decision on what should happen in relation to this all-important scheme.

The Garnaut report is around 600 pages long. The green paper is also around 600 pages long. I have in my hand the Victorian government's submission on the carbon pollution reduction scheme green paper. This document, on which the government says it has done so much work, is the foundation of its response to these crucially important issues, these hundreds of pages of reports that have been prepared. It is 11 pages long and the front page is a blank. It is 11 pages long, and it has four pages of attachments; it is 15 pages altogether. The front page is a blank and there are a couple of diagrams in there, too.

This is the document upon which the Victorian government is prepared to place its so-called reputation in terms of its response to this important issue. It is a lightweight document by any standards. It talks about developing high-level principles. There are 15 of these — I have not got time to read them all out, and it is not worth doing it anyway — high-level principles put on behalf of the government in response to this important issue.

The interesting thing you notice when you read the document — and I have — is that there is no evidence in it of industry or community consultation. The government has not talked to anybody for the purposes of the preparation of this statement. It is no good the Premier sitting over there shaking his head. The simple fact is this government's response has been made as a last-minute, cobbled together, half-baked internal statement which is intended to fulfil its obligations as a government to make some semblance of response to this green paper.

I urge all members — and members of the government in particular — to have regard to the content of this document. It stands in large part in stark contrast to some of the observations which have been made in the past — for example, former Premier Bracks issued a press release on 7 December 2004. It is a date which I am sure will ring in the minds of many. It is headed 'New plan to drive investment and cut emissions in the energy sector'. In part it says:

The Allen Consulting Group report ...

That is a report which the government had got hold of. I pause to ask where Allen Consulting was for the purposes of preparing the dog of a document to which I have just referred? Leaving all that aside, the Premier then went on to make the comment:

By implementing these initiatives from 2008 —

in relation to an ETS —

our GSP will grow by 17.84 per cent instead of 17.87 per cent — a difference of only 0.03 per cent over five years.

Further, he said:

... the impact on jobs growth will be negligible with growth slowing by only 0.02 of 1 per cent — from a projected 6.71 per cent to 6.69 ...

Of course all of that has turned out to be absolute nonsense. The fact is everybody recognises now that unless we get this right, particularly in all the prevailing circumstances and very particularly in the Latrobe Valley, we are going to have immense problems.

The fact is what the government is now doing by way of its dithering is introducing or aiding and abetting the uncertainty that now prevails. The stakes in this are absolutely huge. We are talking about a multibillion dollar industry. When you look at some of the other submissions which have been made to the green paper — and I do not have the time to go through them now — the industry itself is terribly concerned about what the future holds. Apart from anything else, it is

now in that most awful of business environments — that is, a state of uncertainty.

The industry cannot contract beyond 2010. It cannot do it because it does not know the price regime. It does not know the price regime because the federal government, aided and abetted by this lazy, slack, indolent state government, will not get the pricing regime sorted out under this ETS. Until it does that of course the whole industry is in freeze.

We in Victoria are perilously close to the maximum generation capacity required to supply our needs. The margin grows thinner every year. We need a massive injection of capital to ensure our future in this industry. We are not going to do that unless and until this particular issue is resolved. It is hugely important.

I say that the state government, for all the talk about cooperative federalism and how it works with its so-called colleagues in Canberra, has left this industry dangling. From the perspective of the people in the Latrobe Valley, it is an extremely dangerous state of affairs to be left in. The federal and state governments are moving far too slowly on this. The industry has been left in a state of uncertainty. The fact is that uncertainty is the worst situation in which business should operate.

One area of this statement on which I agree with the Premier is the fantastic contribution which the oil and gas industry has made to the fortunes of this state. Exxon Mobil, through the facilities offshore, has done a great job. I mention in context that it is only 10 years since we saw the awful tragedy of the explosion at the Longford gas plant on 25 September 1998, when tragically Peter Wilson and John Lowery lost their lives and many other people were injured. Fortuitously, and through their great work, the industry and the many people who work in it have been able to recover the ground of the contribution that it makes to Victoria. I believe that will be ongoing. This is an occasion on which to reflect upon and celebrate that contribution by the company and the many people who work with it.

The fact is that managing change is manageable, but when you are the government of the day you need to have some plan, you have to have the means of implementing it and you have to have a proper vision for the future which is deliverable. This government has none of the above. This statement is a dud.

GREENHOUSE GAS GEOLOGICAL SEQUESTRATION BILL

Second reading

Debate resumed.

Mr HARDMAN (Seymour) — I rise to support the Greenhouse Gas Geological Sequestration Bill 2008. The objective of this bill is to facilitate and regulate the injection and permanent underground storage of carbon dioxide and other greenhouse gases in onshore Victoria. The bill enables us to utilise our natural underground geological formations to reduce atmospheric greenhouse gas emissions. We need to do this, because, as we know, greenhouse gas emissions released into our atmosphere speed up the climate change process. I should say that we, on this side of the house, know that it speeds up the climate change process.

All the way through his speech, the member for Box Hill managed to avoid the neglect and lack of leadership of the federal Liberal Party and The Nationals over the 11 years when they were misgoverning Australia and refusing to face the reality of climate change. The Bracks and Brumby governments have been working on the development of carbon capture and storage legislation and have been tackling climate change for a long time while the Liberal Party and The Nationals have been continuing to use 20th century thinking on climate change and other issues that face us today, like water. I refer to their preoccupation with building another dam in Gippsland to meet Melbourne's water needs.

To address a problem and find a solution, you first of all have to understand the problem. Today I heard none of that in any of the contributions from the opposition leaders or the shadow Minister for Energy and Resources. Opposition speaker after opposition speaker shows that the opposition has no idea on the big issues like water and climate change.

We can readily see the impacts of climate change, the prolonged effects of drought, the increasing events of extreme weather conditions and a gradual increase in average temperatures. In Victoria we have abundant supplies of brown coal which provide us with cheap reliable energy. Carbon capture and storage may assist us in enabling us to meet our obligation to reduce greenhouse emissions while enjoying the benefits that our large coal supply brings us.

The bill will provide a streamlined regulatory approach to the injection and storage phase of carbon capture and storage. It will provide certainty for investors in regard

to their legal rights and obligations. It will provide certainty for other potentially affected interest holders. It will give the community confidence that the risks to public health and safety are minimised. The bill's regulatory framework is based on the Petroleum Act 1998 and geothermal operations under the Geothermal Energy Resources Act 2005.

The Greenhouse Gas Geological Sequestration Bill will create a system of titles for the injection and permanent storage of greenhouse gas substances. The bill will also ensure consistency with legislation being developed in other Australian jurisdictions. It is an extensive bill because it is important that we have the regulatory framework in order that investors are willing to undertake carbon capture and storage and to understand that carbon capture and storage is done safely so it will protect the rights of others and the environment.

Carbon capture and storage involves collecting large amounts of carbon dioxide that are released by the power stations or other emitters and then storing these emissions securely deep underground. A brief explanation of the process is this: the carbon dioxide is collected at its source; the carbon dioxide is compressed and transported through a pipeline to a suitable storage site, and from there the carbon dioxide is injected into secure natural rock formations deep under the ground for permanent storage. That is the basic process.

The Brumby government recognises the need to reduce greenhouse gas emissions and has been acting on the development of legislation about carbon capture and storage for a long time. We take climate change seriously. That is why we are also tackling climate change by supporting an emission trading scheme, the development of clean coal technologies, improving energy efficiency and increasing the use of renewable energy. The Brumby government's diversified portfolio approach to tackling climate change has meant that \$244 million has been invested since 2002 in coal. In the 2008–09 budget alone \$127 million was committed to making Victoria's coal industry one of the cleanest in the world.

The commitment includes \$110 million to establish new large-scale, pre-commercial carbon capture and storage demonstration projects; \$12.2 million to create Clean Coal Victoria in the Latrobe Valley; and \$5.2 million to investigate carbon storage sites in the Gippsland Basin to better understand carbon storage potential. These investments come on top of \$50 million to HRL for a 400 megawatt \$750 million brown coal power generation plant, also \$30 million for a \$369 million brown coal drying, combustion and carbon capture project at Hazelwood power station.

The Brumby government is getting on with the job of tackling climate change through a variety of approaches. These energy investments are an example of our commitment to and investment in the people of Victoria and Gippsland and also more broadly of our responsibility to the rest of the world.

We heard today from Cr Bruce Lougheed about the importance of the Brumby government's initiatives to the economy and the communities of the Latrobe Valley. The Latrobe Valley's future is being considered by the Brumby government's investment and research in clean coal and carbon storage sites in the Gippsland Basin, as well as this important enabling legislation for carbon capture and storage. Our commitment to assisting the power industry in the Latrobe Valley shows that the Brumby government understands the pressures on all regions of Victoria and is prepared to act to ensure that these regions can take the opportunities that change offers to us. The Brumby government's record in tackling climate change by reducing our atmospheric greenhouse gas emissions is substantial.

On top of our investment in clean coal and carbon capture and storage we have also put a lot of effort into other greenhouse gas emission projects such as the Victorian energy efficiency target (VEET) scheme where we try to get people to understand that they can reduce their carbon footprint by reducing energy and through technology. In another first for Australia, in 2006 Victoria introduced a mandatory renewable energy scheme, or target. It requires energy retailers to produce energy to a maximum target of 10 per cent by 2010 — that is, 280 000 fewer cars on our roads for the next 22 years.

The Brumby government is developing a diversified range of actions to tackle the climate change challenge, and we are showing through this legislation that we wish to bring all Victorians along, no matter where they live, so we can all prosper, no matter our location. I commend the Greenhouse Gas Geological Sequestration Bill to the house.

Mr NORTHE (Morwell) — It gives me pleasure to make some contributions to the debate on the Greenhouse Gas Geological Sequestration Bill. The purpose of the bill is to facilitate and regulate the injection of greenhouse gas substances into underground geological formations for the purpose of permanent storage of those gases, including to facilitate and regulate exploration for suitable underground geological storage formations, as part of Victoria's commitment to reduction of atmospheric greenhouse gas emissions.

I support the overall intent of this legislation before us. It is particularly pertinent to the Morwell electorate, given the presence of power generators in this region. Some aspects of this legislation are based on a framework similar to the Petroleum Act 1998, and this legislation refers to onshore legislation only. We await further development of legislation from the commonwealth in respect of the offshore legislation into the future.

With regard to the injection of gases underground, the minister will be ultimately responsible for approving such practices. As the member for Box Hill said in his address, for the first four years it will be the responsibility of the Department of Primary Industries and thereafter it will be a shared responsibility between the DPI and the Environment Protection Authority. The EPA will be responsible for the monitoring of gases that have been injected.

I am sure all members of the house support the notion of reducing greenhouse gas emissions along with not only the power generation industry but the community in general. There are a number of ways we can do that — that is, by reducing demand and having a look at other technologies such as renewables and carbon capture and storage which we are debating here today. I guess the question is: how do we get there in an environmentally sustainable way and ensure that we do not impact negatively on the economy, both from a local — Victorian, Australian — and international perspective? Carbon capture and storage is certainly one way that governments should be looking at developing along with private industry, so I am pleased to see this bill here today.

The member for South-West Coast and probably the member for Polwarth will make reference to a trial which is currently being undertaken along the south-west coast, the CO2CRC (Cooperative Research Centre for Greenhouse Gas Technologies) Otway project. That is currently the world's largest research geosequestration demonstration project. About 100 000 tonnes of CO₂ will be injected and stored deep underground. It will continue to be monitored over a period of time to see the effects of the process.

As has been alluded to many times in this house today, the Latrobe Valley accounts for approximately 85 per cent or 90 per cent of Victoria's energy needs, depending on which way you look at it. Demand continues to grow, placing extensive strain upon the current power generators. It should be noted that Latrobe Valley generators themselves are investing heavily in research and development for cleaner coal technologies, with some government support at both the

state and federal levels. On a note of interest, the federal government has announced an investment of \$500 million in cleaner coal technologies. It has been disappointing that we have not heard specific detail on how much research funding will be given to brown coal and, in particular, how much will be invested in the Latrobe Valley. That is a question to which we do not yet have the answer.

An honourable member interjected.

Mr NORTHE — I take up the interjection. We would like to see specific details.

There is a need to expedite this legislation given the future influence of both the Garnaut report and the emission trading scheme, or carbon pollution reduction scheme. That is why it is important that we debate this legislation today. The Rudd government's intention to implement an emission trading scheme by 2010 raises questions about what this legislation might mean for the future. If we are not able to demonstrate carbon capture and storage until 2020, given recent media coverage of the fact that a number of local generators may close, where does that leave carbon capture and storage in the future? There is genuine concern on the part of the power generators in relation to their future viability, given the prospect of the emission trading scheme.

The *Australian* of 25 July has an article headed 'Power plants in danger: "ETS will cripple coal"'. I quote from the article:

Four out of five power stations in Victoria's Latrobe Valley, both coal-fired power stations in South Australia and several generators in New South Wales and Queensland could close down under an emissions trading regime designed to meet even a modest greenhouse reduction target.

New modelling for the electricity industry finds that Australia could achieve cuts of 10 or 20 per cent in its greenhouse gas emissions by 2020 compared with 2000 levels — but only after a massive upheaval in the energy sector.

The article goes on to make specific reference to the Latrobe Valley. It says:

The ESAA modelling confirms Victoria's Latrobe Valley will be by far the hardest hit by the new carbon price, with the Loy Yang B, Hazelwood, Yallourn and Morwell power stations likely to close and only the Loy Yang A to continue in —

its current —

operation.

There are a lot of sceptics around who say that the generators are just making a little bit of noise and trying to get some mileage out of this so they are not impacted financially by the emission trading scheme. However, I

can tell members now from my discussions with the generators and the community that this is real. There is real fear amongst the Latrobe Valley community; the impact is being felt now. There is uncertainty not only locally but also internationally. Our power generators are reliant upon international assistance in terms of accessing products, manufacturing and the like, and this uncertainty is impacting upon their business right here and now. It is a real fear; it is not a myth or a furphy.

The other aspect concerns the HRL plant that has been proposed, which was discussed here briefly by the Minister for Energy and Resources. There is real fear, again, about the impact of the emission trading scheme on the development of the HRL plant. On 4 July the *Age* said that this new coal-fired power station faces financial uncertainty. This new power station would reduce greenhouse gas emissions by 30 per cent on best current practice in Victoria and reduce reliance on water by up to 50 per cent. It is imperative that the government act on this and sign off on this project, because our energy demands are quite high and we have got to the stage where our generators are nearly at capacity. The question needs to be asked: if the Hazelwood power station, for instance, were shut down, where would Victoria find its alternative energy supply? If the Wonthaggi desalination plant ever goes ahead, we need to find another 90 megawatts of power. You have the north-south pipeline and all these projects on the cusp that will really impact on the future energy demands for Victoria.

I will relate this back to a local aspect. This morning the vice-chancellor of Monash University, Professor Richard Larkins, and Mayor Bruce Lougheed made reference to Gippsland being the place of the future for development of these new technologies as well as possibly being the energy hub for Victoria, and rightly so. I believe the Latrobe Valley is well positioned to cater for future research and development into new technologies in the energy industry such as clean coal technologies. We have the Australian Sustainable Industry Research Centre actually placed on this very campus, an organisation that does some great work with new technologies. We or the government should be supporting the notion that we must invest heavily in this region as the energy hub for Victoria in the future. We also support Latrobe City Council's request that a meeting take place with the federal Minister for Climate Change and Water, Penny Wong. That request was made last week, and we fully support that.

I want to make reference to the last contribution of the Minister for Energy and Resources who referred to the submission on the federal government's green paper. What you actually do is get out there and talk to people

who are impacted by the emission trading scheme or the carbon pollution reduction scheme, whatever you want to call it. That is what I have been doing as a local member — getting out there and talking with the generators, talking with the Latrobe City Council, talking with the community and finding out from them how this will impact on them. That is where you make a starting point, not by writing a submission on a green paper to the federal government and washing your hands of it all. You actually get out there and talk to the people so that you understand their concerns and know how this will impact on them and make a real difference to the Latrobe Valley.

Mr CRUTCHFIELD (South Barwon) — I am pleased to speak on the Greenhouse Gas Geological Sequestration Bill 2008. As speakers have already alluded to, this bill is about planning for the future of job security for the Gippsland region and indeed for the lifeblood of the power industry in Victoria. It is about ensuring Victoria leads the rest of Australia and the world in cutting greenhouse gas emissions from coal-fired electricity. Certainly doing what we have done in the past is not an option.

Professor Garnaut has intimated on many occasions that it is about changing our ability to live in a carbon-constrained environment. I was pleased by the member for Morwell's contribution because of the opposition speakers in this house he has gone closest to acknowledging that climate change is real. It is not the figment of some mad leftie or greenie's imagination, and it is indeed man-induced. I am pleased that the member for Morwell has gone the closest on the opposition benches to acknowledging that it is real. I wish him the best of luck in influencing The Nationals policy in respect of that. But more on that later.

World energy demand is projected to grow by some 55 per cent between 2005 and 2030. With the growth of renewables, a policy that this government and now the Rudd government strongly supports, coal will still remain a major source of the world's energy in the coming decades and a vital part of the future economy of the Latrobe Valley. Approximately 80 per cent of Australia's electricity comes from coal-fired power stations. Here in Victoria it is some 90 per cent. The Brumby government and indeed governments around the world are looking at carbon capture and storage as a way of reducing greenhouse gas emissions, and I may stress as a way of fighting climate change, while securing jobs for the energy sector. That is why the Brumby government has invested some \$244 million in clean coal technology since 2002. Some overseas stock market analysts — although I am hesitant to speak about the stock market in recent times — have predicted that

carbon capture and storage may indeed be the new investment area to tap into.

I was privy to a conversation with Professor Garnaut and the Premier. Professor Garnaut has been effusive about the opportunities that a carbon-constrained environment would give to the Latrobe Valley and Victoria in particular. There are opportunities with a carbon-constrained future, and one of those is with the geosequestration carbon capture and storage. He believes that ultimately there is a potential for Victoria and the Latrobe Valley to be a leading exporter of this technology. Gippsland is blessed with an ability to store significant amounts of CO₂ in the ground. The conversation went along the lines that other countries may be able to tap in and we would then charge them for storing CO₂ in our aquifers, so it is not all doom and gloom.

In terms of some trial projects that have already been mentioned, we have seen the first capture of CO₂ in Australia with the Latrobe Valley post-combustion capture project at Loy Yang and also with the start of storage of CO₂ in the Otway project trial at Nirranda in south-west Victoria. Both those projects are jointly funded by the Brumby government and local industry to the tune of some \$110 million.

I noted that the Latrobe Valley mayor mentioned his council's advocacy for the global institute and the \$100 million federal government announcement some months ago. He certainly believes that institute would be very well situated in Gippsland. The institute would be focused on carbon capture and storage technology. I support that view and I certainly hope that advocacy in that area continues. I know discussions have started in respect of that.

Studies have already shown that the Gippsland Basin has the potential for some 100 years of carbon storage space, and that is geographically very close to the Latrobe Valley. By harnessing this technology we can cut greenhouse gas emissions by about half, with studies showing that there is an estimated storage capacity for more than 10 billion tonnes of CO₂ in the offshore Gippsland Basin.

Some three months ago the first CO₂ from coal-fired electricity generation in Australia was captured in the Latrobe Valley at a pilot project at Loy Yang Power, proving that it can be captured successfully. This alone is a significant milestone. It is not the silver bullet, as other speakers have mentioned, but it is a significant milestone in a move towards reducing our carbon emissions. It shows what achievements can be made in this area with the backing of state and federal

governments, although we are in the early stages. Once fully tested it has the potential to make significant and very deep cuts to greenhouse gas emissions in Victoria and indeed Australia. That is why we continue to invest in these projects.

In closing I note that a number of speakers from the government benches are keen to avail themselves of an opportunity to speak about policies around climate change and mention the CC phrase 'climate change'.

Mr Weller — Carbon capture.

Mr CRUTCHFIELD — Carbon capture is one of the policy solutions for climate change; if The Nationals do not understand that, I am not surprised. It is indeed one of the issues. What threatens these policy positions? What is a threat for areas like Gippsland? It is the dual extreme views. Some extreme green groups say, 'If we do not have 350 parts per million of carbon in the atmosphere by tomorrow we are doomed by the end of the week', and others say we need to shut down coal-powered fire stations tomorrow or we are doomed. That is not the view of the state government. It is of the view that there is a viable future for power industries and coal power into the future.

The other extreme view is that climate change is something that has been dreamt up. That is the view of the climate change deniers, the Ciscos and Panchos of this Parliament who sit opposite here — the deniers that climate change is around us, that climate change is man made. They cannot even agree on their views on climate change, and I am sure a number of the government members will quote extensively from the different views: whether there should be an emission trading scheme into 2010 or 2011, if at all; is climate change man-made — is it a little bit, is it not at all, is it all dreamt up? Both of those views penalise communities like Gippsland. It is on those views that communities like Gippsland need to bring to account individuals from both the Liberal Party and The Nationals.

The *Latrobe Valley Express* has published many articles on climate change, and I will not read them all out. I will just go through a couple of the headlines: 'Dollars for coal: government ramps up clean energy push', 'Clean coal station nearer', 'Researchers "catch" carbon', and 'Carbon capture storage legislation released'. If The Nationals and the Liberal Party think that a continued policy of denial is going to be let go by communities like Gippsland, then I think they are in for a surprise.

I thank the member for Morwell. He seems to understand although he has never said the 'climate change' words. Certainly he has not gone as far as the member for Swan Hill who has acknowledged that man has influenced climate and the changing climate has an effect on rainfall patterns, unlike The Nationals policy view which is one of denial, obfuscation and absolute confusion not only between their own party and the Liberal Party but a complete and utter confusion between the two Ciscos and Panchos of climate change denial.

I have absolute pleasure in speaking on this bill in the certainty that I am one who understands that it is part of a suite of policy options that combat climate change because it is real.

Dr NAPTHINE (South-West Coast) — I rise to speak on the Greenhouse Gas Geological Sequestration Bill. I am honoured and proud to represent South-West Coast in this Parliament. The south-west coast is obviously at the other end of Victoria from this beautiful area in Gippsland. But the residents and businesses in my electorate are acutely aware that they rely on electricity produced in the Latrobe Valley in Gippsland to power their homes and businesses.

In my home town of Portland we have the wonderful business, Portland Aluminium, which is Victoria's largest single exporter and is also Victoria's largest single electricity user. The dairy industry which proliferates throughout south-west Victoria relies on electricity for its milking machines, refrigeration on farms and its refrigeration and drying systems within the dairy processing plants.

My area is also proud of its leadership role in the development and growth of alternative energy industries whether it be wind power with Keppel Prince making the towers, gas-fired power stations such as those proposed for Mortlake and Orford, geothermal systems — and it is a pity that this government closed the only effective working geothermal system in Victoria — or the potential for wave energy and solar energy. I know that even with that alternative energy suite, Victoria will need Latrobe Valley brown coal for its base load power and for its major electricity production for years and decades to come.

I give credit, as others have given credit, to the leadership and vision of people like Sir John Monash who saw the opportunities of developing the electricity industry in the Latrobe Valley; leaders like Sir Henry Bolte who, in the post-Second World War era, built the Victorian economy and the Victorian manufacturing industry on the world competitive electricity pricing out

of the Latrobe Valley. I am advised the Latrobe Valley has between 500 and 700 years supply of brown coal.

Therefore it is absolutely vital that we as a community and that we as a Parliament develop methods of continuing to use brown coal as base load for electricity production within Victoria to provide a supply of reliable world competitively priced electricity that drives our economy and drives our industry, but we must do it in an environment that reduces carbon emissions from that brown coal.

The federal Minister for Resources and Energy, Martin Ferguson, was quoted in the *Australian* of 3 April. The article says:

New coal-fired power stations in Australia are inevitable and proposals to bury carbon dioxide emissions deep underground are essential ...

The article goes on to describe carbon sequestration, and I think provides a succinct summary of what carbon sequestration is about. It says:

This involves pumping near-liquid carbon dioxide underground for permanent storage in geological formations such as dry oil and gas reservoirs.

It is interesting that the article was about the largely government-funded \$40 million geosequestration testing program at Nirranda in western Victoria. It is of note, and of significance for those people opposite, to understand that this program was largely initiated and funded by the Howard Liberal and Nationals government. Make no mistake about who has led Australia with respect to geosequestration! It was the Howard Liberal and Nationals government.

The Labor government here can try to jump on its coat-tails, and the federal government can try to jump on its coat-tails, but the indisputable fact is that it was the Howard coalition Liberal and Nationals federal government that has led on that geosequestration project, which is so important.

This project will compress carbon dioxide and will, to quote further from the article in the *Australian*:

... eject it 2 kilometres underground into an old oil and gas reservoir.

The CO₂ will then be monitored for two years to assess the risk of leakages and the potential for the gas to corrode the porous rock that would house it beneath a layer of impermeable rock.

...

In all, about 100 000 tonnes of carbon dioxide will be pumped deep beneath the surrounding paddocks and monitored for two years.

Later the article says:

Geosequestration technology isn't new. In the US and in Europe's North Sea carbon dioxide is injected into oil and gas reservoirs to increase the flow of oil and gas to the surface.

But this is the first scientific demonstration of using the technology just to store CO₂.

And it was a project initiated and funded by the Howard coalition government.

Mr Nardella interjected.

Dr NAPTHINE — The member for Melton interjects, saying that the article was from 2008. Yes, Martin Ferguson, the federal Minister for Resources and Energy, went down and opened the project, but it was planned, started and funded years before by the Howard government. Even Martin Ferguson recognises that, though the member for Melton with his Labor Party blinkers on does not recognise the leadership shown on this by the Liberal and Nationals government.

However, there is enormous potential for these programs. I quote from the *Australian* of 20 April 2007, which says that a:

... new qualitative study by a team from the Australian School of Petroleum at the University of Adelaide ranked the offshore Gippsland Basin as the best site to take large quantities of carbon dioxide based on 15 criteria including size, geological stability and accessibility. The Gippsland Basin is more than 2 kilometres beneath the seabed, 14 kilometres deep and covers more than 40 000 square kilometres east of Phillip Island into Bass Strait.

It alone is considered big enough to take half of Victoria's annual greenhouse emissions for the next 100 years or more. Victoria generates about 123 million tonnes of carbon dioxide.

About 69 million tonnes, or 56 of the state's greenhouse emissions, come from power generation where the large-scale capture and storage of carbon dioxide is considered feasible.

Thus there is clear evidence. There are opportunities here with carbon geosequestration, and I applaud the Howard government for showing the leadership and the initiative to start the project. However, there is more work to be done, because we need that research project developed and monitored, and this legislation provides a framework for the future for potential geosequestration provided that research projects show that the technology is feasible, effective and cost efficient. All of those things are important.

I now want to refer to a couple of aspects of the legislation that we have some concerns about. For a start, I refer to clause 123, which is headed 'Minister

may exempt greenhouse gas infrastructure line from Pipelines Act'. One of the concerns I have about this legislation relates to the broad powers given to the minister without appropriate checks and balances. We have a Pipelines Act that governs every other pipeline in Victoria; but this bill says if you are constructing a greenhouse gas pipeline, that pipeline will not have to conform to any of the rules, and I think that is a cause of great concern.

Part 8 of the bill talks about special access authorisations which again provide very broad sweeping powers to the minister without appropriate checks and balances. Whether we look at the desalination plant or whether we look at the north-south pipeline, we can see that where we have ministers and governments acting without appropriate checks and balances, the community is the poorer for it and is robbed of the opportunity to have its say.

Let us go to part 10 and look at clauses 189 to 190. What the headings say gives it away. The heading to clause 189 says 'Exploration under exploration permit overrides planning schemes'. The heading to clause 190 says 'Injection and monitoring operations also override planning schemes'. The member for Melton, who would stand up and champion the need to have checks and balances, and who would stand up for the rights of individuals, will say that this legislation is good legislation. But it has powers in it which allow the minister to override all planning schemes in Victoria, to do what he likes with respect to pipelines, exploration, injection and monitoring. No planning scheme is safe from this program.

I think this legislation in principle is a step in the right direction, but there are clauses in the bill that go a step too far and give too much power to an arrogant Labor government which does not take community considerations into account. It wants to override planning considerations, it wants to override the Pipelines Act, and I think those things need to be addressed while the bill is between here and the other place.

Mr CARLI (Brunswick) — It is a great pleasure to rise in support of the Greenhouse Gas Geological Sequestration Bill. I have just listened to the speeches made by the member for South-West Coast and the member for Morwell, and I welcome the opposition parties, which have been climate change sceptics, on board as they develop a greater understanding of climate change, what is happening and how we have to reduce the concentration of greenhouse gases in our atmosphere.

I think the member for South-West Coast was right. It is vital that we develop methods to continue to use brown coal because Victoria is dependent on brown coal as the form of baseload electricity and also simply for our electricity production. It is important therefore that we support this bill which allows us to look at driving change and innovation in brown coal power production, ensure that we provide for job security and new job opportunities, and really make the Latrobe Valley a world leader in terms of clean coal technology.

There is no doubt that climate change is the biggest challenge of our time. It is important to note that the Brumby government has been at the forefront of issues around clean coal. We have put \$244 million into carbon capture and clean coal technologies very much as a result of the government realising the importance of brown coal, but also realising the importance of tackling climate change by stabilising then reducing the concentration of CO₂ in the atmosphere. We really need to take on board the importance of low-carbon coal technology.

What that essentially means is carbon capture and carbon storage. As the previous member indicated, that means capturing the carbon dioxide, turning it into a near-liquid form, injecting it into permanent storage, and ensuring that our geological foundations, where there is a possibility of storage underground, are used. Again this part of Victoria offers enormous opportunities in that area, and so we are entering an age of a low-carbon economy.

There are clearly threats to our industries. There is clearly a threat to the brown coal industry if we do nothing. That is the threat. If we do nothing, then events will overtake this region and the Victorian economy. We have to act. We have to take on the challenge, but as the Garnaut report makes very clear, the threat also creates enormous opportunities as we enter a low-carbon economy, not only for Victoria but increasingly for the world as nation after nation has to deal with the issue of climate change.

It is important that at the macro level Victoria takes the lead. It is important at the macro level that the Australian government takes the lead. We know that carbon capture is a proven technology. In fact, it has been demonstrated in the Latrobe Valley.

What we need now is to demonstrate its commercial application and look at the possibility of retrofitting existing power plants. Ultimately it will demand further and massive investment in the brown coal industry but the opportunities are there for Victoria and Australia. It

will help make us a leader globally, which creates a whole lot of opportunities.

I want to talk briefly about what it means at a local community level. My electorate has been an innovator in terms of alternative energy and energy reduction for a long time. Going back to the 1980s, through the Brunswick electricity supply there was the establishment of a low-energy park and the demonstration at the local level in our community of how you can reduce energy use in the home. Out of the sale of the electricity supply came an organisation called the Moreland Energy Foundation Ltd.

MEFL is very much about local innovation and local initiatives. One of the programs set up was Coburg solar city, which was a partnership between the federal government, the Victorian state government, the Brotherhood of St Laurence, Moreland council and a number of private companies. It has been working with the community to apply a low carbon economy locally, to retrofit homes, to reduce energy use, to provide solar panels at reasonable cost, to focus in on low-income households and to reduce their energy demands, to create jobs, green jobs, and reduce energy use at a community level. It is about looking at urban and housing design and applying it at the local level.

MEFL is chaired by Mike Hill, who has had a longstanding commitment to this area of activity. It is doing really innovative work at a community level. As we tackle the issue of climate change, we have to operate at the macro level, we have to look at driving innovation at the level of the power plants, but we also have to apply it at the community level where local communities can take action to reduce their carbon footprint to ensure their communities are more sustainable.

At the last election MEFL organised a debate among all the candidates to discuss a low-carbon economy at the local level. The Liberal candidate did not show up, which I thought was indicative of their interest in this issue. The Greens candidate showed up and argued reasonably about the importance of renewables and alternative technology but when it came to the issue of clean coal, they denied that it could possibly exist. Their view was no coal industry by 2020.

Honourable members interjecting.

Mr CARLI — Certainly not the Liberals or the Greens! I got no preferences last time. It makes life difficult. What was important was that the Greens at our community level wanted to write off the coal industry, essentially our ability to be a modern

economy and state. I believe they would destroy the Victorian economy with the no-coal, no-clean-coal-technology policy.

It is not a view that is shared by the environmental movement. The World Wildlife Fund does see the need for greenhouse gas sequestration as part of a range of options, including renewables, alternative technologies and the reduction of energy use — as part of that tool box of effort — and neither do other green organisations and the Greens party in Victoria. They are a major threat to the Victorian economy and to the well-being of all Victorians.

It is really important that when we look at the efforts in a community like mine, we see the positive efforts that are made at a community level through organisations like MEFL that do apply a low-carbon economy at a local level. Victoria can be a leader in clean coal technology, certainly in the Latrobe Valley. Victorian communities can be leaders in showing others how to reduce their carbon footprint and how to act to reduce the impact of greenhouse gas production.

This bill came out of a very democratic process. A discussion paper was produced called the *Regulatory Framework for the Long-term Underground Geological Storage of Carbon Dioxide in Victoria*. That is a very long title, but it was an important paper which generated an immense discussion amongst a number of stakeholders about where we should move. A number of views came out of that. Certainly there are a lot of companies that want to be early movers, that see the opportunity to be innovative, to have an impact. It demonstrated the division between the environmental groups that supported the clean coal technology and those that basically have written it off altogether. It also demonstrated something that is very much incorporated in this legislation, which is the importance of involving local communities.

Local councils were concerned, and there is in the bill the ability to provide for adequate community consultation when we move to the approval processes and towards the consent mechanisms that allow for gas sequestration to be applied.

This bill drives innovation and change in Victoria. It is important that Victoria recognises the dependency we have on coal and the opportunities we have in terms of driving clean coal technology in the state.

Mr BLACKWOOD (Narracan) — It is with pleasure that I rise to speak on the Greenhouse Gas Geological Sequestration Bill 2008. I will be supporting this bill because it seeks to provide a mechanism that

will help to underpin the future security and viability of the brown coal-based power generation industry in the Latrobe Valley. I will touch on that critical aspect of the bill a bit later on, but basically the purpose of the bill is to facilitate and to provide a regulatory framework for the injection of greenhouse gas substances underground for the purpose of permanent storage.

Greenhouse gas substances are described in the bill as carbon dioxide or prescribed greenhouse gas. The bill is also designed to facilitate and regulate the exploration for suitable underground geological storage formations.

I refer to the main provisions of the bill. Clause 7 outlines the objectives of the bill, which are said to encourage and promote greenhouse gas sequestration operations. Clause 8 outlines the so-called principles of sustainable development.

Part 2 outlines provisions in relation to ownership and control of greenhouse gas substances and underground geological storages. These provide for ownership of all underground storage formations by the Crown. Clauses 17 and 18 create offences to prevent people from carrying out gas sequestration injection or monitoring unless permitted under the act.

Part 3 sets out provisions relating to greenhouse gas sequestration permits, including exploration permits, works programs, injection testing plans, consultation and monitoring. Part 4 provides for sequestration formation retention leases. Part 5 sets out provisions relating to greenhouse gas substance injection and monitoring licensing.

Part 7 relates to greenhouse gas infrastructure lines, which are pipelines that carry the gas to the sequestration site. It is of particular note that clause 123 allows the minister to exempt these pipelines from the Pipelines Act 2005.

Part 8 allows for special access authorisations to permit a range of activities in an area including seismic surveys, collecting samples and making a well. Clauses 189 and 190 provide that exploration under an exploration permit and injection and monitoring operations within this legislation override planning schemes. That is also a worry. Clause 192 prohibits any greenhouse gas sequestration operations on land that is a marine national park, a marine sanctuary, a wilderness zone or a wilderness park under the National Parks Act. Part 12 outlines the consent and compensation arrangements needed with respect to private land.

Clauses 219 to 223 outline provisions in relation to required rehabilitation bonds. Clauses 224 to 227

outline provisions in relation to liability for, and rate of, royalties with respect to sequestration. There are a range of provisions in relation to monitoring, inspection and enforcement. Clause 273 provides for rights of review to the Victorian Civil and Administrative Tribunal.

There are currently two geosequestration trials being conducted in western Victoria. I believe these trials have been very successful so far, but it is imperative that the Brumby government continues to support and monitor these trials, as this technology offers a real opportunity to provide long-term storage options for carbon dioxide.

In the context of what is extremely important to the people, the communities, the jobs, and the economy of my area of Gippsland, geosequestration offers some genuine hope for the future. I am talking about a future that will probably change dramatically under an emission trading scheme that will pose significant challenges to the power generation industry as we currently know it. There is a genuine risk that if the implementation of an emission trading scheme does not give due regard to the economy of this region we could see three or four of the major power stations being shut down. This cannot be allowed to happen. The power generation industry is critical to the future job security and economic viability of a large part of Gippsland, not just the Latrobe Valley.

In my electorate of Narracan, just down the road, there are a large number of power industry workers who choose to live in Moe, Newborough, Trafalgar, Yarragon, Warragul and Drouin, for example, and travel to the valley to work. There are a significant number of service industries located outside the Latrobe Valley which support and derive their income from the power industry. The downstream effect of any downsizing of the power industry will be devastating for a large part of Gippsland.

We have seen it before, when the privatisation of the power industry and the subsequent rationalisation that took place during that period knocked towns like Moe, Morwell and Newborough for a six. The local economies of these towns have recovered magnificently because of the amazing resilience and determination of those communities. They do not deserve to be put through the wringer again, and I believe this piece of legislation is one critical element in the process of securing our jobs and our communities here in Gippsland.

I have heard plenty of commentary in recent times from those who are philosophically opposed to the use of

brown coal in the generation of power. I keep hearing that renewable energy is the ultimate alternative to brown coal-produced power. I agree that all these opportunities must be explored, but not at the expense of the Gippsland economy. We have the infrastructure in place, we have the knowledge and expertise of a very well-trained and skilled workforce. We have seen enormous investment by government and private companies. We cannot afford to walk away from that and wear the cost of starting from scratch with a new method of producing power — a method that realistically cannot produce the base load power for 90 per cent of Victoria's needs that is currently being produced here in the Latrobe Valley.

We must, wherever possible, continue to utilise and build on the enormous investment already made and the substantial infrastructure already in place. We must explore every avenue of clean coal technology available today and developed in the future as a means of reducing greenhouse gas emissions while at the same time preserving current jobs and creating a stronger, more viable economy here in Gippsland. This legislation is one of the many steps that will need to be taken by governments in this whole process, and I have no hesitation in supporting it.

Ms RICHARDSON (Northcote) — I am very pleased to be part of this historic parliamentary debate on the Greenhouse Gas Geological Sequestration Bill at Monash University in Churchill. This is the first time legislation of this kind has been debated anywhere in Australia. I am also particularly pleased to be here in the Latrobe Valley, the epicentre of carbon capture and storage technology in Australia, but the Latrobe Valley represents so much more than that.

Figures released in September show that Victoria was the engine room of the Australian economy, providing almost half of the nation's economic growth. As the Premier outlined today, one of the key reasons for our success, as in the past, has been the work and investment of industry and communities in the Latrobe Valley. Without the Latrobe Valley, Victoria would not be the powerhouse state it is today.

However, in order to maintain our success we must recognise and address the impact our success has had on our environment. Ninety per cent of our electricity comes from one of the world's largest stores of brown coal in the Latrobe Valley. At 64 million tonnes, the energy sector creates more than half our greenhouse gas emissions, so the development of technologies to reduce these emissions has become critically important. We need to keep the lights on without further contributing to climate change.

Carbon capture and storage is recognised as one of the key ways to make the substantial cuts we need to make to CO₂ emissions. The bill is significant because it provides a clear and stable policy legislative framework to facilitate the commercial deployment of carbon capture and storage technologies. In doing so it secures the future of the Latrobe Valley as Victoria's source of reliable and affordable energy while positioning Victoria as a global leader in the permanent capture and storage of carbon dioxide and other greenhouse gases that are contributing to climate change.

By providing a legal framework for investors about their legal rights and obligations the bill sends a clear message that Labor is committed to carbon capture technology. Fortunately the Latrobe Valley has been found to contain suitable storage sites for CO₂. There is the offshore Gippsland Basin where more than 100 years of carbon storage space has been found, along with areas near the natural carbon dioxide stores in the Otway Basin. It is therefore an attractive region in which to invest in this technology.

In July the first capture of CO₂ from coal-fired electricity generation in Australia took place at Loy Yang at the Latrobe Valley post-combustion capture project. CO₂ is now being stored via the trial Otway project at Nirranda in south-west Victoria. Other successful trials are under way in Norway, Canada and the USA. It is worth noting that since 1990 Norway has been capturing around 1 million tonnes of CO₂ per year from natural gas production and then pumping it 1000 metres below the seabed. The development of the technology and adaptation for use in Victoria is well under way.

I would like to take this opportunity to address some of the criticisms that have been made against carbon sequestration by some in the environmental movement. I say 'some' because there is of course division within the environmental movement about carbon sequestration. Al Gore and the World Wildlife Fund have supported the need for advances in this technology. Earlier this year Greg Bourne from the WWF said that the WWF is calling for a national coordinated approach to accelerate carbon capture and storage technological development so it contributes to greenhouse gas reductions sooner. Only last month Al Gore took the extraordinary step of suggesting civil disobedience if carbon capture and storage was not a part of new coal plants. The WWF position is supported by the Intergovernmental Panel on Climate Change, the Climate Institute, the Pew Centre on Global Climate Change and other pre-eminent research centres.

In spite of this some other environmental groups have attacked carbon sequestration, and protesters have rallied outside the headquarters of the WWF. This just does not add up for me. We all quite rightly need to ask questions about the technology and its likely success. Too much is riding on this not to do so. But to argue against even exploring the option and to protest against those urging a solution shows a reckless disregard for the challenge we are facing, not just here in the Latrobe Valley but around the world. As I said, 90 per cent of our electricity comes from brown coal. We have an enormous challenge before us to reduce our emissions — a challenge, I am pleased to say, which Labor has embraced and which will be met.

Of course there is an even greater challenge facing countries like China, whose emissions vastly exceed our own. It is a country that grows ever more dependent on power from coal, with two new coal-fired power stations coming online every week, a country that recently overtook the USA as the world's greatest emitter of CO₂.

If we are to solve the climate change problem, we need to explore every single possible solution. I agree with Al Gore, who said:

... it becomes obvious that carbon capture and storage will play a significant and growing role as one of the major building blocks of a solution to the climate crisis.

Fortunately Labor is supporting an exploration of the technology, which is proving successful here in the Latrobe Valley. While the environmental groups argue amongst themselves and the Victorian Greens party remains mute on the subject, all members on this side of the house know that real reductions in global emissions will come when clean coal technology is adapted not just here but around the world.

I would also like to take this opportunity to talk about our Liberal and National party opponents. We know that embedded in their ranks are well-known climate change sceptics. That is why the Leader of the Opposition said:

I think there is climate change about us ... I am not wise enough to conclude as to what causes the climate change.

A member for Eastern Victoria Region in the other place, Phil Davis, said:

There is a great deal of uncertainty about the contribution greenhouse gases make to global warming.

Also a member for Western Metropolitan Region in the other place said, in July this year:

Now those same old lefties are scaring little kids and the gullible with the threat of so-called global warming. Overwhelming scientific evidence shows global warming ended a decade ago, but the Left has never let the facts get in the way of a good story.

When will the facts about global warming finally permeate the brains of the Liberal and The Nationals members opposite? Probably never. That is why we saw such a lame contribution from the Leader of the Opposition today to the debate on the Premier's ministerial statement. That is why we saw not a single idea to help resolve this problem. I did hear today, though, the Leader of the Opposition talk about his support, finally, for an emission trading scheme, a scheme long ago supported and promoted by Labor. But members on this side of the house know that Liberal and Nationals members have to be brought kicking and screaming to any idea that tackles the problem of climate change.

Unlike the Liberals and National parties, Labor is in no doubt and is taking action to meet the challenge of climate change. We were the first state to introduce a mandatory renewable energy target scheme in 2006 that requires energy retailers to source 10 per cent of their power from renewable energy. We delivered a \$50 million grant to help the world's largest and most efficient solar plant, stationed in north-west Victoria. Our energy efficiency target scheme also helps households to reduce their energy bills and cut their use of energy. We are investing in carbon capture and storage technology as part of our energy technology innovation strategy program.

Initiative after initiative has been brought before the house and implemented across Victoria, and they are specifically designed to meet the challenge of climate change. This bill is an important part of that strategy. It provides a way forward not just for Victoria and the Latrobe Valley but for the rest of the world. I commend the bill to the house.

Mr K. SMITH (Bass) — I am happy to speak on the Greenhouse Gas Geological Sequestration Bill, which is a mouthful in itself. I must say I feel that I should be congratulated on actually getting the words out; I think it is marvellous. We are down here discussing this bill today because the government has finally rediscovered Gippsland. It is marvellous that it has actually come down here.

It is just as well Parliament decided to have this session in Gippsland otherwise it might never have got these bills into place or we may never have got the Premier's statement in which in recognition of this area, the Latrobe Valley, on page 2 it says:

But our fossil fuels, especially coal, have also made Victoria a major greenhouse gas emitter.

What he was virtually saying was that down here in the Latrobe Valley there are the biggest polluters we have in the state of Victoria. The fact is that this government has been in place for 10 years but has done very little about greenhouse gases.

I have been coming to the Latrobe Valley over a long period of time. If you went back 10, 20 or 30 years you would be lucky to find Monash University because this area was so highly polluted. Now we go outside and — we can see through the window — the sky is clear. The sky is blue because of the work that has been done over the past 30 years. Trying to clean up the environment through the use of gas and clean coal technology has been a very important thing, and we have all got to congratulate the industry down here on the work it has done on cleaning it up.

Thirty years ago we did not worry too much about greenhouse gases. In fact we never talked about greenhouse gases; it was not something we worried about. We worried a little bit about pollution. Now it has been given another name, and now that we have groups of people out and about talking about greenhouse gases and climate change, we have a government that has finally decided to do something about it.

It is going to, or it hopes to, capture all of the carbon dioxide and push it into some reservoirs under the ground. There is a 100-year supply out there, and that is great; that is a wonderful idea. But the problem is that the government is not doing anything about really cutting down on the amount of greenhouse gas that is emitted down here. It is encouraging the use of electricity around the state of Victoria. One has only to look as far as Wonthaggi to see the desalination plant that is going to be installed down there and the amount of power that is going to be needed to run that particular project.

We are in a position where we worry a bit about the black balloons that represent energy used. We have seen in the advertisements how they come out of air conditioning ducts, out of heating units and all that sort of stuff. When that desalination plant starts in Wonthaggi we are going to have — —

The DEPUTY SPEAKER — Order! I ask the member for Bass to concentrate on the bill.

Mr K. SMITH — I am concentrating on the bill, Deputy Speaker, because the bill is to do with the generation of electricity and the generation of

greenhouse gases, and that comes from the generation of — —

The DEPUTY SPEAKER — Order! The bill relates to the underground geological formations and the carbon capture within those formations. I would ask the member for Bass to concentrate on the bill.

Mr K. SMITH — That is quite true, and I am doing the very best that I can.

The DEPUTY SPEAKER — I will help the member along.

Mr K. SMITH — I am very grateful for the thoughts you are putting to the house, Deputy Speaker, and for getting those on the other side excited about them.

The DEPUTY SPEAKER — Order! The Chair does not invite interjections, and I think the member for Bass knows that.

Mr K. SMITH — I understand that, Deputy Speaker, thank you. I have a concern about the amount of electricity that is generated for projects within this state and the fact that greenhouse gases that come from the power stations down here cause some pollution — I have no doubt about that. We have to do something about it. We are in a position where we have got not only this type of project that we have to put into place.

We have already suggested to the house that we support this legislation. There is no doubt that there is a need for it. It is just a shame it has taken eight or nine years of this government — these nine dark years of the Labor government — to put some sort of legislation in place to try to overcome the pollution problems we have down here.

I worry a little about the use by this government of the Latrobe Valley in its criticism of Victoria and the greenhouse gases that we have here, because people in the valley have done a lot of very hard work in encouraging the industry to be cleaner in the way it goes about producing the power.

I mentioned generally before, as many other members have — I strayed slightly away from the bill — the desalination plant, which is going to use a huge amount of electricity and cause a great deal of greenhouse gases that will have to be pumped underground. We are talking about a huge amount of power — 90 megawatts of power will be used on that site. That is 10 times the amount of power that is used at Chadstone shopping centre and 14 times the amount of power that is used in the town of Wonthaggi.

The DEPUTY SPEAKER — Order! I seek the cooperation of the member for Bass and ask him to speak on the bill.

Mr K. SMITH — I was talking on the bill, Deputy Speaker. You do not seem to understand the connection between the generation of electricity — —

The DEPUTY SPEAKER — Order! I have the bill in front of me and the explanatory memorandum which outlines what the bill is about. I recognise that lead speakers are often given some leeway, but in terms of the other speakers, I will continually draw them back to the bill.

Mr K. SMITH — I am pleased that you are going to do that, Deputy Speaker. If we were looking at using renewable power in the general Wonthaggi area for this desalination plant, we would not be generating the amount of pollution that will be produced down here. The government promised to use renewable power there. It cannot find enough renewable power to use. It is in a position now where it is saying that it is going to buy carbon credits to offset the power the desalination plant uses.

The DEPUTY SPEAKER — Order! I think the member for Bass is straying very close to defying what I asked him to do.

Mr K. SMITH — I am very disappointed, Deputy Speaker, that you have taken the position you have, but I respect your ability to do that. What I would have liked to have done was explain a whole lot about what is happening with power in that area.

The number of powerlines required to take the power generated from the Latrobe Valley power stations, which are creating the greenhouse gases, down to the desalination plant and the amount of carbon dioxide we have to capture are ridiculous.

We support this piece of legislation. We understand the need for it. But if this government were a little bit smarter and designed projects that did not use so much electricity and pollute Victoria, we would be a lot better off. If it used renewable power, we would be in a position where we would not be as concerned as we are about the power that is going to be used.

Today we have heard some important issues that have come up regarding the former Howard government; it understood this issue much earlier than the Victorian Labor government ever did. The Howard government showed far more leadership than this government is showing with the legislation that it is putting forward. It was already in place. These people are just climbing on

the backs of a great decision by the Howard government.

Mr HUDSON (Bentleigh) — It is a pleasure to support the Greenhouse Gas Geological Sequestration Bill. This bill is one of a number of important initiatives by the Brumby government to tackle the harmful effects of our greenhouse gas emissions. For a long time the brown coal reserves of the Latrobe Valley have been seen as one of our principal economic assets, and quite rightly so, because they have powered the state along. They have provided 90 per cent of the energy that the state uses. It is estimated that we have a 500-year supply still in the ground. It is one of the principal reasons why we have been able to deliver cheap electricity in Victoria, which has driven our economic development.

However, I think we have to recognise that these brown coal assets also have some downsides and significant liabilities attached to them. That is why we have introduced this bill, because it is essential. It is essential. If the brown coal industry is to have a future it is essential that we do whatever we can to promote cleaner coal and carbon capture and storage. Unfortunately the generators produce over 60 per cent of our greenhouse gas emissions. We now know that brown coal is a dirty fuel; we know that we must take urgent measures to reduce our greenhouse gas emissions that result from using brown coal in this way.

The fact of the matter is that Australia emits more greenhouse gas in producing the same amount of energy than nearly all other countries. The Garnaut climate change review pointed out that Australia's per capita emissions are the highest amongst wealthy nations. Our per capita average is roughly twice that of Organisation for Economic Cooperation and Development countries and more than five times that of the world as a whole. So clearly we have a responsibility to reduce those greenhouse gas emissions; the emissions of the energy sector are central to that.

That is why the Rudd government has committed to a target of reducing our greenhouse gas emissions by 60 per cent by 2050. That is a target the Victorian government also supports. We have to acknowledge that we have to aim for that benchmark because there are scientists who say that perhaps we have to go further, that we have to go beyond 60 per cent and that we have to make deeper cuts in emissions. That is something the member for Bass does not recognise. He talked about black balloons, but he did not talk about the fact that we need to reduce greenhouse gas emissions by a significant amount.

Carbon capture and storage (CCS) can play an important part in this issue. Even prominent scientists such as Professor Jeffrey Sachs — scientists who have been critical of the extent to which the Western world has moved to cut greenhouse gas emissions — say that carbon capture and storage can play a critical role in tackling dangerous climate change. That is why we are investing in carbon capture and storage technology and facilitating its development through this bill. CCS is an important part of our approach, but I think we have to recognise that over the next 10 years or so it is going to take some time to ramp up that technology. That is why it is also important for us to be placing emphasis on things like renewable energy, solar power and wind power.

I just want to make the point in passing that the Liberals and Nationals have opposed us at every point when we have sought to promote the use of wind power. They opposed us when we sought to set a Victorian renewable energy target, and if we want to reduce greenhouse gas emissions in the short term, we must promote renewable energy and we must have a target. The fact that we set a target of 10 per cent of Victoria's power being produced from renewable sources by 2010 is important because it will slash our greenhouse gas emissions by at least 27 million tonnes a year.

We heard the member for South-West Coast, for example, talk about Keppel Prince Engineering, which is in his electorate and is a wind tower manufacturer. This is what Keppel Prince said about the failure of the Liberal Party to support a renewable energy target at the last election — —

The DEPUTY SPEAKER — Order! I ask the member to speak on the bill.

Mr HUDSON — I am talking about the elements that will help us reduce our greenhouse gas emissions for carbon capture and storage.

The DEPUTY SPEAKER — Order! I understand that, but as I indicated to the member for Bass, the bill is fairly specific.

Mr HUDSON — Thank you, Deputy Speaker, I appreciate and accept your guidance. Today we have heard a lot of rhetoric from opposition members about energy policy. They say they are the pioneers of carbon capture and storage; they say they are the ones who have been promoting it. I ask the house to go back and look at their election policy in 2006, to go back and have a look at how much they committed to promoting carbon capture and storage. Over the four years that

they have put in their forward estimates they committed zero.

An honourable member — How much? Zero?

Mr HUDSON — That is what they committed. They committed no funds whatsoever to this area. You can talk about it all you like and you can claim to be leaders, but when we go back and look at your energy policy you — —

The DEPUTY SPEAKER — Order! The member should speak through the Chair.

Mr HUDSON — Carbon capture and storage and the geosequestration of carbon has the potential to capture 90 per cent of CO₂ emitted by power stations. Unlike the opposition, the government has committed to a trial in the Otways. As part of that trial about 100 000 tonnes of carbon dioxide will be injected and stored deep underground.

Mr Mulder interjected.

Mr HUDSON — The member for Polwarth says that we have been dragged into it.

The DEPUTY SPEAKER — Order! The member for Bentleigh should ignore interjections and the member for Polwarth should cease offering them.

Mr HUDSON — The member for Polwarth was deep underground when they wrote the policy, because there was no money for carbon capture and storage. We have already committed to a trial in the Otways and it has demonstrated that CCS technology is successful and that Victoria is well placed to take advantage of it. If you have a look at the fact that several decades worth of carbon storage is available in the Gippsland Basin's depleted oil and gas fields, as well as around 700 years of storage potential even deeper under the seabed, then you can see that we are well placed to take advantage of this technology.

In July the first capture of CO₂ from our electricity generators in the Latrobe Valley occurred at the Loy Yang power station, and that demonstrated the significance of this technology. That is why we are investing in it, unlike the opposition, who at the last election committed no funds to carbon capture and storage. In the most recent state budget the Brumby government allocated \$182 million for large-scale demonstration projects through the innovation technology fund, with \$110 million for carbon capture and storage and \$72 million for renewable energy. That complements commitments that have been made by the federal Rudd government through the global institute

where it has allocated \$100 million to the development of CCS technology. Through the institute the Rudd government will cooperate with other countries to help reduce the amount of CO₂ released into the atmosphere. If this technology can be successfully harnessed, it will have worldwide application and significance.

It is interesting to note that recently the European Union environment committee proposed laws which would force power companies to pay for their carbon emissions from 2013. If that were implemented, it would in effect prevent the building of new coal-fired power stations from 2015 unless they were equipped with carbon capture and storage technology. In the European Union it will be impossible to build such power stations after 2015 unless that technology is in place. That is why we must get on with the job of developing this CCS technology; that is why we are investing in that technology; and that is why we see this technology as being an important part of a carbon emission trading scheme, because once you put a price on carbon — once you say there is a cost to emitting carbon — the incentives to invest in this technology are increased. We are committed to the introduction of a carbon emission trading scheme by 2010. The opposition does not know when it is committed to it. It does not know whether it is 2010, 2011 or 2012, because it is not committed to an emission trading scheme.

Mr RYAN (Leader of The Nationals) — It is a pleasure to join the debate on the Greenhouse Gas Geological Sequestration Bill. I love it when the Labor Party talks about how great the coal industry is. In the American parlance of politics there is a term called 'dog whistling'. This is when you say one thing, but in fact you are sending an entirely different message. It is lovely to hear Labor Party members talk about how they love the coal-fired power industry — it truly is! — when in fact if you went around their ranks and all things were equal, they would shut it down in a flash. They would cut it off at the socks if they had the chance.

Whilst this bill is very relevant insofar as coal-fired generators are concerned, the reality is that if Labor had its way, we would not have a problem at all, because it would shut down the whole sector that is producing power in Victoria by burning brown coal. That is what it would do. You only have to look around here and see the smiles on the faces of Labor Party members to see that. They all know it. Look at the Attorney-General — he knows it.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! That is enough interjection. The Leader of The Nationals, through the Chair.

Mr RYAN — One sure way to get a smile from the Attorney-General is to talk about the benefits of the coal-fired power industry.

This debate brings up the issue of renewable energy. I love it when members like the member for Bentleigh — for whom I have great regard — talks about the virtues of wind farms and the wonderful thing that wind power is. I would love to hear his response if you said to him, ‘We are going to stick a 135-metre high tower in your backyard, and it will be there forever and a day’.

Honourable members interjecting.

Mr RYAN — I hear a response, but I do not think it is one he wants recorded in *Hansard*. The problem in relation to the development of the renewable energy industry in Victoria, particularly with regard to the wind energy sector, is that the government cannot get the planning right. Today in his ministerial statement we heard the Premier say the government has \$2 billion worth of wind power projects on the books. Hold the phone! He would have to be joking. It is just a fiction, a myth, but it is the sort of stuff that the Labor Party trots out.

I pause to say in all seriousness that I have overlooked one matter that I wanted to mention during this debate — —

The DEPUTY SPEAKER — Order! Is it on the bill?

Mr RYAN — Yes. That is the issue of supporting the Premier’s apology today to the victims of asbestos, those suffering as a result of asbestos in all its forms. When I practised law I represented many of these people — tragically, often in their last days — and their families. A death from mesothelioma is a death beyond the most awful. I strongly support the Premier and the government in what has been said and done today about that issue.

Specifically insofar as this bill is concerned, the eyes of so many have again turned to Gippsland to provide the solution to the problem. We support the general principles of the bill because this great industry — the power-generation industry based around coal — is going to have to have modifications made. There will have to be revolutionary developments in the way that functions in all of its forms. One of them is to do with geosequestration. Of course a lot of the commentary

about it is to do with parking that material offshore in the Gippsland Basin.

A lot of the discussion is about the prospect of being able to pump the material into that massive area which in principle has been vacated through the processes associated with the production of oil and gas. What has not been discussed in the course of this debate today, I believe, is the important issue of the relationship of the industry to this discussion and in addition the important issue of the relationship between the state and federal governments jurisdictionally over this whole concept and how it is to apply.

For example, I spoke earlier today about, and indeed the Premier made reference to, the magnificent contribution that Exxon Mobil has made to the production of oil and gas in the state of Victoria since the 1960s. I have lived in Sale, my home town, just up the road, since 1974. The oil and gas industry has been a magnificent player in the way our communities function in Gippsland, not only from the perspective of those communities but also from the perspective of the state as a whole.

The issue that begs a question is: what discussions have been had with our major operator, Exxon Mobil, on the prospect of having geosequestration occur by way of pumping the material which is to be the product of this process down into the Gippsland Basin, which as I understand it is still subject to the leases that have existed there for many years?

I appreciate that there are other players in the field now. There are others involved in exploration in Bass Strait, which is why we have seen a resurgence there. It is amazing how the passage of thought about these things changes when a barrel of oil at about \$20 on the market suddenly goes to \$155. There is a big change in the thinking of those who are responsible for the expenditure in exploration. It has happened; we are seeing many more players in Bass Strait.

But the question still stands: who is doing the negotiation with the operators in Bass Strait, particularly Exxon Mobil, to enable access to allow this process to occur, because there are potentially significant consequences in the way those operations happen? For example, do we know if there is an influence, and if so to what degree on current production levels in Bass Strait? Once upon a time, going back two and a half decades to the heyday of Bass Strait exploration, oil was produced at the rate of 500 000 barrels a day. Now if they can get 200 000 barrels a day, they have had a good day. The

reality is they are seeing a drop-off in the production of oil in Bass Strait.

With the development of new drilling technology and the capacity now for directional drilling, they are able to tap into those pockets of oil that once were never thought to be available. But what is going to be the effect, if any, of this proposed form of technology upon the production levels insofar as the oilfields are concerned?

The further question stands insofar as gas fields are concerned: Exxon Mobil is about to invest \$1.2 billion in development of the Kipper field. It is a massive investment, and the company has worked hard over many years to make sure that happens. In 2010 or 2011 the company is going to spend multibillions of dollars in building a fifth gas plant out at Longford. What is to happen in relation to that style of investment not only in relation to other matters we discussed earlier today, namely the ETS (emission trading scheme), but in the context of this piece of legislation?

Is there an effect upon gas production in Bass Strait? If this technology were employed, what would be that effect? What would the compensatory aspects be if that were to occur? What discussions have occurred between levels of government concerning all of this? These are very important issues that ought properly be examined and form part of the discussion that we are undertaking with regard to this legislation. Again it is Gippsland which is supposed to supply the answer. I am not biased at all. It is just that I understand it from an unbiased perspective.

I happen to be standing on the campus of Monash University at Churchill in what is the most magnificent part of the Australian nation — namely, Gippsland. For many, many decades this fantastic area, as we have heard today repeatedly, has supplied so much of the needs of this wonderful state of Victoria. Now it seems that once again Victoria is going to turn to our region to provide the solution insofar as what is contemplated by this bill. These are very important issues to be accommodated by the government which, after all, is bringing this bill before the house prior to our being able to make a decision as a Parliament as to what should occur in relation to it.

I also believe the issue of the leases that are now held by the operators is a pertinent issue for discussion around the same matters. I heard the commentary from the previous member about the attitude of the Greens to all this. Needless to say, they would certainly cut the whole thing off at the socks if they had the chance. There would be no coal-fired generators in the state, or

anywhere else for that matter. All those members of the Greens who have expressed these views so sincerely tear back to their respective boardrooms, put the lights on, sit down and contemplate the next stupid policy they are going to come up with.

The fact is that we need this important energy source to go forward here in Victoria. Geosequestration is an important element of its future. We support the principles of this bill, but there are many unanswered questions.

Mr INGRAM (Gippsland East) — The Greenhouse Gas Geological Sequestration Bill 2008 is an interesting piece of legislation. Unlike many members who have spoken before me, I will try to keep to some of the issues of the bill. I have identified a few issues which are important to add to this debate and which probably have not been covered by other speakers.

It is clear that because of the state and the nation's reliance on brown coal for baseload power for industry and residential areas, we need to find effective ways of reducing the greenhouse gas which ends up in our atmosphere. I have spoken to a number of climate scientists, and there is some concern about using carbon capture and storage as the major solution to our release of greenhouse gases.

It is not a simple process. One of the main concerns is that even though we store the gas in formations under the earth, somehow — through geological change, disturbance, faults or other actions — that gas may leak out into the atmosphere. It is important that we get the intergenerational equity right with this to make sure we do not provide offsets and benefits for current industry to put greenhouse gases in these reserves under the ground and then at some later stage find that a large portion of that greenhouse gas has been released back into the atmosphere. That is a concern, and it needs to be addressed.

I will follow on from the Leader of The Nationals. I agree with a lot of his comments about the use of the oil and gas reserves which cover the coastline of both my electorate and his electorate in Gippsland. What he did not say, and I think it is also very important, is that there is a major linkage between the oil and gas reservoirs and the deep aquifers under our coastline. We know that the level of the aquifer within the member for Gippsland South's electorate has dropped substantially over time. That same aquifer covers a large area of my electorate, and there are irrigators in and around Bairnsdale who use that aquifer. There is an interconnection between both the formations that we extract oil and gas from and the deep aquifers, and we

know there are interconnections between the shallower aquifers, which will be investigated as part of this type of package.

It is important that we get the science right on this, and I will touch on that. When the minister provides a licence to those organisations there will be an ongoing impact on other people. I use the Boisdale aquifer as a classic example. There is enormous discussion and disagreement amongst the hydrogeologists who have assessed that aquifer, where the water comes from and which way it moves. Most of the extraction from that aquifer is in the western end of the reserve, and there is less impact on the height of the aquifer. There is space within those formations to store gases like this, and potentially that may be identified. But if you start putting pressurised gases under the ground, you could potentially place pressure on certain areas which might stop the flow of water to irrigators in other areas of the aquifer. You could end up with problems. These issues would not occur during the testing phase; they would not occur until well into the operational phase of geological sequestration.

We could have more losers in the agricultural sector who rely on that water for the production of their crops, or for their industry and their business. At some stage in the future they may be denied that access because we have put greenhouse gases in those pockets or reserves. In my lifetime we have seen the water in that the Latrobe aquifer come out of reserves at high temperature and under pressure. A bore that went into those reserves would flow freely without any pumping pressure. Nowadays we know that the height of that aquifer has seriously declined. There is space in those areas, but that interconnection between the oil and gas reserves, those pockets which we are now discussing as pockets for storing this gas, could potentially impact on that reserve. As the Leader of The Nationals said, it could impact on the production of oil and gas.

We know that the oil and gas industry has looked at some of those reserves for the storage of gas that is harder to extract so that it can be put into the gas network, and we would not want to be impacting on the future supply of gas that may be stored in those reserves. The other issue that is being looked at is the storage of a gas which is not needed by the oil and gas industry — the natural gas — which is extracted in the refinery process and used in those reserves. I do not think it is quite as simple as saying, ‘These reserves are there; let us put this gas in there’, because there could be impacts.

It is important that this minister or future ministers do not provide licences under clauses 82 and 83 — in my

view clause 82 is probably not strong enough — unless they are satisfied that the greenhouse gas substance is likely to be permanently contained. I think ‘likely’ is not a good enough situation when we are talking about that intergenerational equity. We are giving the financial benefit to a business operating today, but that is something that we should not be doing if in the future that gas escapes back into the open. It is important that before any licences are allocated we are 100 per cent certain there will be no impact, because we could find that untapped bores, or oil and gas drilling holes, may actually allow some of this gas to escape back into the wild. I will be supporting the bill, but I think there are some concerns that need to be addressed by this Parliament.

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until later this day.

BUSINESS OF THE HOUSE

Adjournment

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

That the time for the adjournment debate, as provided for by resolution of the house on 21 August 2008, be amended to 5.45 p.m.

This will enable the house to continue the debate on the bill and hopefully conclude it by 5.45 p.m., rather than adjourning the debate when it has been nearly completed.

Motion agreed to.

GREENHOUSE GAS GEOLOGICAL SEQUESTRATION BILL

Debate resumed from earlier this day; motion of Mr BATCHELOR (Minister for Energy and Resources).

Mr MULDER (Polwarth) — The Greenhouse Gas Geological Sequestration Bill is supported by the opposition. I think it is important we understand where this bill had its origin. As has been pointed out by both the Leader of The Nationals and the Leader of the Liberal Party in their contributions today, the statement made today by the government in relation to energy provision and energy initiatives in the Latrobe Valley amounted to nothing more than aspirations. Really the government of the day has done nothing whatsoever to

support this region in terms of its reliance on the coal industry.

I think it is very important that we understand that this particular bill would not be here in the house today had it not been for the initiatives shown by the former Howard government. That is where this bill had its origin. I can speak of that with some authority, because the trials and demonstrations have been carried out at Nirranda, not that far from where I live, in my electorate of Polwarth.

I recall when this issue was first raised, the doomsayers were peddling fear about what could happen as a result of carbon dioxide being stored in depleted underground wells off the Otways. The people within my community are very open-minded in relation to these types of proposals, and we had great support right throughout the Polwarth electorate for the undertaking of these trials, given that if they were successful, they would provide a future for the coal industry and for energy supplies right throughout Victoria.

At the time when the federal government was looking to support this proposal, the Labor state government of the day was very quiet. In fact initially there was no support at all for these proposals. As this bill goes through I would like to think that the people of the Polwarth electorate, the people I represent, will have played a major role in the success and future development of clean coal technology right throughout this region.

I believe they need to be recognised for the fact that they were prepared to put their hands up and be part of these trials and the demonstration that took place. They were ably supported by the former Howard government. The initiative in relation to this bill we are all supporting today — the only real initiative the government has announced in relation to energy proposals in this area — had its origin in the Polwarth electorate and the Howard government.

It is a \$50 million trial. We are not talking about a small project. It involves the undergrounding of 100 000 tonnes of carbon dioxide. It is being well supported and very well monitored by the Cooperative Research Centre for Greenhouse Gas Technologies group, known as CO2CRC, which is in charge of risk assessment and of monitoring the program as it goes forward and will also be in control of putting a concrete cap on the top of the well once the work is completed.

I am proud to stand up here today and say this bill provides a framework based on the success, the work and the trial that have taken place at Nirranda in my

electorate. When I look around at Gippsland and its landscape and see the similarities this region of Victoria has with where I live in south-west Victoria, I think I could walk out of here today and think that I was standing somewhere in Terang, Camperdown, Noorat, or just out of Colac.

The fact that we have two rural communities working hand in hand to support one another gives me an enormous feeling of pride when I think that my electorate has led the way and led the charge in supporting what is a very important industry down here in the Latrobe Valley.

There are others who wish to speak on this bill so I will not go on other than to give this bill my absolute support. I wish this bill a speedy passage, and I wish the people of the Latrobe Valley success with something that had its origin in the Polwarth electorate.

Mr HOWARD (Ballarat East) — I also am pleased to speak briefly on the Greenhouse Gas Geological Sequestration Bill. As we have heard from previous speakers, this bill aims to ensure that we can facilitate and regulate the injection and permanent underground storage of CO₂ and other greenhouse gases in this state. It is being done as one means of significantly reducing greenhouse gas emissions. Unlike the other side of this house, which seems to be all over the place when it comes to the issue of greenhouse gas emissions, this government is very clear in our recognition that we need to do all we can to address our greenhouse gas emissions to ensure we have a more secure future in this state.

Over a period of time we have been developing a very clear and full set of policies in regard to this matter. This particular bill clarifies a range of issues and is a very broad technical bill which supports the issues of research and sequestration in regard to CO₂ and other greenhouse gases by ensuring, among other things, that the emission trading system will take account of greenhouse gases which are permanently stored under the ground, so that there will be a commercial value to undertaking this work. It also provides for an established geological information collection which will further assist in this process. A very broad range of things will be done because we on this side of the house know that we need to address this issue.

This government has a very clear policy and a target to reduce emissions by 60 per cent by 2050. We also recognise that while we are continuing to support a range of alternative energy supplies, renewable energy amongst them, in reality we will be relying upon coal-fired power as our major source of energy in the

future as we do at the present. Our task then is to ensure that we provide an opportunity to clean up the coal industry because at the moment over 60 per cent of all Victoria's greenhouse gases are produced by stationary energy production. We clearly need to do some work in this area.

I think about 10 members of the opposition have spoken on this bill today, and they seem to have taken 10 different positions saying, firstly, 'The government is not doing enough', and then, 'The government has been doing too much'. This government continues to be unswerving in its clear attempt to address the whole range of issues. In responding to the Leader of The Nationals — —

Dr Napthine interjected.

The SPEAKER — Order! Can I suggest to the member for South-West Coast that he say nothing?

Mr HOWARD — For example, the member for Bass said the government did not seem to be doing enough for renewable energy, then the Leader of The Nationals said the government seems to be doing too much, and he seemed to say nobody should have any wind power in their backyard because they would not want it. In my experience, though, the people of Waubra, where I live, are looking out to the development of a wind turbine-powered station with 128 turbines, and they see that it will be of great benefit to their community.

They are not whingeing and saying, 'We don't want them in our backyard'. They are saying, 'We accept this. We are prepared to play our part in supporting renewable energy, and we see some clear economic benefits for our community'. For example, farmers are getting income out of the turbines, the community fund is getting something like \$60 000 a year for community assets across our region, and the construction phase has put a significant amount of work into our economy. The people of Waubra are saying, 'We are happy to step up'. This would not be happening without the VRET (Victorian renewable energy target) scheme that this government has put forward.

This bill, as we understand, sets some very clear guidelines. It is backed up by this year's budget, where we allocated another \$127 million on top of the \$244 million that we have already put in since 2002, with \$110 million of that \$127 million towards establishing a new large-scale pre-commercial carbon capture and storage project on the back of the work that Monash University and others are doing, and \$5.2 million allocated to do more work in investigating

the potential storage sites in the Gippsland Basin. This government is clearly backing up its action with funding for this legislation to address the very broad range of issues that we have before us. I am very pleased to support the bill.

Mr MORRIS (Mornington) — It is a pleasure to speak briefly on the Greenhouse Gas Geological Sequestration Bill 2008 and to do that in Churchill. I take the opportunity to thank the people of Churchill for their hospitality and also those in the broader Latrobe Valley. I have had the pleasure of spending three days here and it has been very useful.

The bill is to encourage and regulate the permanent storage of greenhouse gases, to provide certainty to investors, which is essential in times of limited availability of capital — and we are certainly in that phase now — but also to provide certainty for the community. If you are undertaking this sort of activity, you must ensure there is certainty and no chance of compromising the environment or public health, so the intent is to provide that certainty as well.

The bill is an essential part of the framework for the future wellbeing of Victoria. Our long-term energy sources are essential, and we need to have assured sources of power. That is critical obviously to the future of the economy and therefore jobs, people's standard of living and to ensure that Victoria continues to play a leading part in the future of the nation.

I will concentrate on a couple of aspects of the bill. One of the issues I want to address is that this subject is much wider than is immediately apparent. Comments were made recently — I am not sure of the actual day — by Mr Michael Dinon at the annual convention of the Australian Pipeline Industry Association. He made the point that Victoria and Western Australia are both very fortunate to have suitable sites for storage within 100 kilometres or so of the major greenhouse gas-producing locations. Other states are not so fortunate. I understand in Queensland it is about 500 kilometres away; South Australia and New South Wales are considerably further. He went on to indicate that in his view the opportunity in Australia was to store 100 million tonnes to 115 million tonnes of carbon dioxide per annum. Given those distances Australia will need a considerable pipe network. I understand it is even larger than the existing natural gas infrastructure, so when you think about how long it took to put that infrastructure together it is a considerable undertaking.

Mr K. Smith interjected.

Mr MORRIS — We will leave Lang Lang out of it. While carbon dioxide is not flammable like liquefied natural gas, there are many risks that natural gas does not have. I know the industry favours extracting the water somehow, which I understand is called dense phase carbon dioxide, and that facilitates the easy transport. That simply indicates there are many challenges to this, so in this debate we need to be doing much more than simply finding a way to store the by-product safely underground. It is essential that we get this framework in place. That underlines the point that the coal resources and the suitable locations for geosequestration give us, if we handle this right, a considerable competitive advantage.

If there is a concern in the bill, it is the relatively short time frame for the community to have input, particularly given the extent of the detail. I acknowledge the time frame for this bill is not much different to the way the government normally operates. I do not criticise it for that, but I note the commitment the minister gave that the community and local government would be consulted and their comments would be taken into account in terms of the decision-making process. I just make the observation that that would be a welcome change. It is a big bill, it is a complex subject, and obviously it is a very important issue long term.

For many years Victoria has rightly been considered fortunate to have abundant energy resources in brown coal. Climate change has obviously brought that fact into doubt, but it is essential to the future prospects of the state that we find a way to utilise the resource to power our community, to power our industries and to sustain growth. This bill is an important part of that process, and I commend it to the house.

Ms DUNCAN (Macedon) — It is a refreshing change to follow the member for Mornington who states his position very clearly in his support for the bill up front, because it has been difficult to listen to some of the contributions from the opposition this afternoon. In response to the ministerial statement on energy, the Leader of the Opposition stood in this place and suggested that the current federal government was not doing enough on this issue.

That is a little bit rich coming from the Liberal Party in any way, shape or form when we know what has happened in the last 11 years under the previous federal government, and even those with very little interest in politics would understand that the Howard government did virtually nothing about reducing emissions. We also listened to the member for Box Hill in his contribution to debate on this bill, and 20 minutes into his 30-minute

contribution I was still unsure whether or not he was supporting the legislation. Similarly with the Leader of The Nationals — again his level of criticism has now been reduced to the number of pages of a government submission.

I personally would not like to rely on anyone to help me solve a problem when that person does not particularly believe that a problem exists. I understand the member for South-West Coast supports the bill but with a huge number of buts. That is fine, but again he proposed no amendments and had no positive suggestions for making changes to this legislation.

The member for Polwarth tells us that we should be grateful to the previous Prime Minister for this piece of legislation. I suspect that if the member believes that, he should really express that view to his Liberal colleagues because many of them seem unsure as to whether they support this bill.

I know that time is limited, so I will briefly speak in response to the opposition. I say very clearly that I am very pleased to speak in support of this bill. In this house you need to be clear these days, because we know the opposition is so unclear in its position on almost any environmental issue. There is so much disagreement between them. We have some members sitting there silent, fairly supportive of this legislation; others would not have a clue what is going on because ultimately they do not believe that we have a problem with greenhouse gas on this planet. With those few brief comments, I commend this bill to the house.

Mr CRISP (Mildura) — I rise to talk on the Greenhouse Gas Geological Sequestration Bill 2008. I think most members have pretty clearly outlined the bill, so I will focus on a couple of areas that are of interest to me, particularly the storage of CO₂.

Firstly, I believe CO₂ will be a resource of the future, so wherever we put this CO₂, we must make sure we can get it back for future generations. There is also some valuable work going on out there with algae to convert CO₂ to biofuels, and we need to position ourselves in such a way that we can take advantage of that.

I also have concerns, particularly with one part of the bill where, to be clear, we need to know whether if the CO₂ goes back underground, it will be owned by the state or owned by the private enterprise operators that put it under the ground? If you want to get that CO₂ back and reuse it as a resource for the future, I believe you should leave it in private ownership. Private operators will come up with a solution faster than we will.

I am also concerned about how we are going to get it underground. The suitable geological structures in Australia are diverse. We have a number nearby. However, to remove the CO₂ requires energy. Our energy grid is subject to growing demand, and it also has limited capacity. As we go forward and try to get this carbon capture technology in place, my belief is that it will be 2020 or beyond before we are effectively doing this, we will be using all our energy capacity with consumers, so to either compress, transport or liquefy CO₂ is going to require more energy. We have an interesting conundrum facing Victoria that we may have to source energy from somewhere else or go without energy in order to sequester the CO₂ in the form that we do. We do not have, I believe, our energy balance policy right.

It is going to be a very difficult period as I do not think Victorians will be too thrilled to see their access to energy limited as we are busily compressing the gas or liquefying it to move it someplace else. Quite clearly the closer you can have the solution to the power plants, the more likely Victoria is to afford that. I note that some of the places most likely to do that are in private ownership or private arrangements, being some of the gas facilities in Bass Strait. We also have the tie in when some of those gas structures in the geology exhaust gas and when we want to put CO₂ back in them, and the infrastructure that will be required to do that. We are lucky, though, that we do have some places quite nearby.

Those are my concerns. There is much more that could be said, and much more should be said on this. However, there is not a great deal of time left. I also note public perception and knowledge of this issue is very low, and an understanding of the factors out there is low. There also needs to be consultation. The bill requires greenhouse gas sequestration operators to consult with the local community throughout the period of the licence, prepare community consultation plans; in addition the minister must take into account all the written comments before a licence is granted. I hope this goes much better than some of the recent projects that the government has undertaken, where consultation has led to more community angst than community peace of mind.

With that, we have got a lot of work to do. I am happy to support this bill. I have got a lot of unanswered questions, and we have got a lot more work to do in this area before we actually are successfully managing our carbon.

Mr DONNELLAN (Narre Warren North) — It is an honour today to be speaking on the Greenhouse Gas

Geological Sequestration Bill 2008. What a good bill it is. There are various large investors, such as the Australian Energy Company, formerly Latrobe Energy, who are very keen to get this bill through. Companies like that have been waiting for this bill. I am also looking forward to the federal government introducing similar bills to deal with carbon sequestration offshore.

Looking at this issue today, it is really a story of contrasts, a story of a government getting on with the job, a story of a government actually having policies to deal with emissions compared to the opposition who have a fear of change. Looking at conservatism, it is very much 'do nothing'. The opposition really does not want any change at all and for, say water, it really does not have a policy at the moment. The only policy —

The SPEAKER — Order! The member for Narre Warren North will confine his remarks to the bill.

Mr DONNELLAN — It is a good bill. It is a bill which is actually moving on the issue of carbon emissions. We are dealing with the issue of carbon emissions and putting forward a policy that will deal with and develop industries and so forth. I saw a recent article in the London *Times* discussing the European Union Parliament; it has just ploughed \$10 million into a scheme for carbon capture and storage, and research. They are getting on with the job of actually dealing with these issues.

A further article by the HSBC bank said that countries that produce goods and services aimed at battling carbon change generated \$300 billion in annual revenue in California, surpassing the biotech and software sectors combined. Here in Victoria we are dealing with these serious issues, and other parties around the world are dealing with it, but the opposition really does not have a policy on emission. It is treating it as an issue of fear, with an approach of going back to the Middle Ages when they used to do rain dances and things like that. It is the old 'put your head in the sand and just generate fear in the community' attitude. It is the fear that everything is going to be cut down, whereas we are actually being positive. We are looking at a positive way of dealing with this. I commend the bill to the house.

Mr BATCHELOR (Minister for Energy and Resources) — In concluding this debate I want to thank all members who made a contribution, particularly those members who made a positive contribution, and there were many of them. Those who chose to stray probably generated a bit of hot air, which contributes to the problem we have with climate change.

This is Australia's first stand-alone piece of legislation enabling the onshore injection and permanent storage of carbon dioxide and other greenhouse gases, and as far as we know it is the first in any jurisdiction worldwide. We cannot be certain. We have not looked at every location but we searched far and wide to try to find an example of this occurring, and it has not occurred. This is groundbreaking legislation, and it is appropriate that we should be debating it here in the Latrobe Valley. I want to thank those members who have offered their support and those people who will support this legislation going through.

The bill provides a clear signal that Victoria is committed to the development of carbon capture and storage (CCS) and provides certainty to investors who are planning to develop CCS projects in Victoria. There are currently a number of new projects on the drawing board that could involve developments of between \$10 billion and \$20 billion by 2020. These will be triggered by the successful passage of this type of legislation, together with the technological advances that will clearly follow.

I will respond briefly to some of the issues that have been raised. The member for Box Hill raised the issue of the costs of long-term monitoring. I would indicate to the member for Box Hill that this bill requires the costs associated with geosequestration to be estimated up front — that is, at the time of the injection and the time that the monitoring plan is approved — with the final costs to be determined at the time the injection licence is surrendered.

The member for Box Hill also raised the issue of the breadth of ministerial powers. We have based this bill on existing legislation, in particular the Petroleum Act. The regulatory framework set out in this bill in a whole range of areas, but in particular with respect to the powers of the minister, is modelled on the regulatory framework that the Petroleum Act relies upon. In the case of competing interests — and they are most likely to occur between an existing petroleum titleholder and a proposed injection titleholder — the minister in resolving any potential conflict has to take the public interest into account and apply that as the test.

The member for South-West Coast raised a number of issues. Some were similar to those raised by the member for Box Hill. The member for South-West Coast thought there was an absence of checks and balances. I point out again to the member for South-West Coast that there are a number of clauses in this bill that are based on the Petroleum Act, in particular sections 83, 118 and 119 of that act. This indicates an established framework which is being used

as a model for this geosequestration bill, a framework that industry is familiar with, and those provisions will assist in minimising the regulatory burden on this new and emerging industry.

The Leader of The Nationals raised an issue about the impact that CCS might have on gas and oil production. I remind the Leader of The Nationals that this bill deals with onshore sequestration. The oil and gas production that currently takes place, by and large, is in offshore waters under the control of the commonwealth, and we are awaiting the commonwealth legislation. As this is a world first for our onshore geosequestration, we hope the commonwealth adopts a regulatory and legislative framework that complements what we will be putting in place as a result of the passage of this bill through the Victorian Parliament.

The member for Gippsland East raised some questions about the effect of geosequestration on aquifers and groundwater, particularly those currently used for agricultural purposes. That is a very appropriate and important issue and one that we have not overlooked. I point out to the member that this bill provides for referrals to the Minister for Water and to the Environment Protection Authority so that they can consider these matters if they are issues, and it allows them to make binding recommendations with respect to injection proposals, so we believe those matters are adequately dealt with. With those responses, I commend the bill to the house and thank members for their contributions and support.

Motion agreed to.

Read second time; by leave, proceeded to third reading.

Third reading

Motion agreed to.

Read third time.

Remaining business postponed on motion of Mr BATCHELOR (Minister for Community Development).

ADJOURNMENT

The SPEAKER — Order! The question is:

That the house do now adjourn.

Rail: Lardners Track level crossing

Mr BLACKWOOD (Narracan) — I, again, rise to request that the Minister for Public Transport take the action required to upgrade the road and rail intersection at Lardners Track in Drouin East on the old Princes Highway between Warragul and Drouin. This rail crossing was overlooked in the government program to provide boom gates at every level crossing servicing the fast train. It was overlooked because to place boom gates at this location without installing traffic lights at the road intersection would have created a major safety hazard for traffic travelling east and turning right into Lardners Track. Apparently the extra cost could not be justified. Again, I ask the minister what value she places on a human life. What we are left with is a very dangerous rail crossing and a very dangerous high-speed intersection. The minister has chosen to leave many people in my community exposed to a clearly identified, potentially life-threatening hazard.

I first raised this issue with the Minister for Roads and Ports in August 2007, and just two weeks later a collision occurred between a passenger train and a four-wheel drive vehicle being driven by a young man, who, thankfully, was not seriously injured. Minister Pallas referred the matter to the Minister for Public Transport for her consideration. I received no response. I raised the issue again with Minister Kosky in August 2008, but I still have not received a response.

There are currently over 9000 vehicle movements between Warragul and Drouin every day. The population of both towns is increasing at around 4 per cent per year. Located on Lardners Track to the north is the Chairo Christian School primary school campus, to which almost 200 students commute by bus and car, creating major traffic problems before and after school on a daily basis. Lardners Track is also used by large B-double stock transports to access Radfords abattoir and heavy vehicle traffic servicing events at Lardner Park, which occur regularly throughout the year. The danger associated with the coming together of school buses, mums and dads in cars, large livestock transports and through traffic travelling at 100 kilometres per hour, coupled with the distraction of negotiating an awkward rail level crossing, is a recipe for a major tragedy.

To improve the safety of this intersection would be expensive, but in the context of this government's record income, in particular from stamp duty, speeding fines, gambling taxes, land taxes and GST, the safety of the people of Warragul, Drouin and the surrounding districts must be given urgent priority. I call on the minister to take action immediately to provide the

necessary funds to upgrade this intersection with traffic lights synchronised with boom gates at the Lardners Track rail crossing.

Office of the Victorian Small Business Commissioner: Gippsland office

Ms MARSHALL (Forest Hill) — I raise a matter for the Minister for Small Business. The action I seek is for the minister to expand the valuable work of the Office of the Victorian Small Business Commissioner (VSBC) in Gippsland, which uses mediation to resolve disputes between businesses. The dispute resolution process is timely, low cost, informal and with a high rate of mediation success.

Small business in Victoria is anything but small. Accounting for 96 per cent of all businesses in Victoria, there are over 300 000 small businesses — that is, those with fewer than 20 employees. The jobs themselves are spread across all industry sectors but are mainly concentrated in property and business services, retail sales and construction.

In regional Victoria jobs are concentrated in agriculture, forestry and fishing, construction and the retail trade. The fastest regional growth is in property and business services, health and community services and in education. The proportion of home-based businesses continues to increase. Almost one-third of small businesses are operated by women. Small business is the engine room of our economy and is viewed by this government as the glue in our communities.

Some of the challenges faced include a greater regulatory burden than that of large businesses — and small businesses are generally deficient in management and in business planning skills. Policy initiatives by the Brumby government include creating a more competitive and fairer business environment and a supportive regulatory environment, making Victoria the best place to start and to grow a business.

It is easy for small businesses to contact the Office of the Victorian Small Business Commissioner for assistance. There are regional offices in Mildura, Traralgon, Bendigo, Shepparton, Wangaratta, Wodonga, Ballarat and Geelong. The VSBC regularly visits regional areas and addresses businesses and industry groups about its role. I am very pleased the Victorian government has funded the VSBC, including a set budget for its operations.

The deputy opposition leader has said creating the small business commissioner is a major achievement of our government. She even said she wished she had

done this when she was the Minister for Small Business in the Kennett government — if only she had thought of it.

I urge the minister to expand the valuable work of the Office of the Victorian Small Business Commissioner in Gippsland, bearing in mind the great work it is doing, especially in resolving retail tenancy disputes.

Foxes: control

Mr RYAN (Leader of The Nationals) — I wish to raise a very important issue for the consideration of the Minister for Agriculture. I call upon the minister to reinstate the fox bounty. We need the fox bounty back in Victoria, and we need it done urgently. The minister has responsibility for this vital issue under his general umbrella of looking after matters of weeds and vermin. I note him sitting on the other side of the house.

The bounty has also on occasion been applicable to wild dogs. Suffice to say that in Gippsland at the present time we are having terrible difficulties with both these awful species. I am advised by many property owners in the farming community, by our agribusiness community generally, that the foxes are of plague proportions this year.

Only a few weeks ago I was at a property in my electorate south of Leongatha talking to a group of farmers who are having to accommodate the problems associated with these cursed animals. Similarly, I spoke to my constituents Tim and Julie Bowman, who own a beautiful property up at Rosedale. Any time that you go to have a conversation with them, at this time of the year in particular, this is going to be the issue which is uppermost in their minds, because these blasted foxes are in such numbers around the property. It is a very bad year for them.

Similarly, in the eastern part of the state the wild dogs are a perennial concern. There is a means whereby the issue can be dealt with, in part at least, through the minister reinstating the fox bounty. I emphasise the use of the bounty is not a complete solution in itself. Owners of properties are required to undertake all sorts of mechanisms for killing these beasts and making certain as best they can that they rid their property of them. Certainly the fox bounty has played its part over the years. In the time that it has been in play it has resulted in about 300 000 foxes being shot.

Whatever might be the position in relation to the economics of all this, which seems to be the issue uppermost in the government's mind, the fact is that 300 000 foxes gone from the landscape is a darn good

thing in anybody's considerations. My good friend Bill Heneberry, who has a property at Kilmany, is now exhibiting the kills of recent times by having these blasted things hung up by their tails on the fence adjoining the highway. I invite any member to have a good look as they go past, because those foxes are great in number.

The minister should bring back the fox bounty. The issues of interstate beneficiaries and all those sorts of things are only a furphy; they have no real play in this matter. The government flirts with this concept from time to time. It should finally make the decision to put the fox bounty in place as a permanent feature of the control of these vermin in Victoria.

Rail: Glenroy station bicycle cage

Ms CAMPBELL (Pascoe Vale) — I raise a matter for the attention of the Minister for Public Transport. The action I seek is her support for the provision of a secure bike storage cage at the Glenroy train station.

Cycling in the Pascoe Vale electorate has experienced a significant increase in recent years. This trend tends to be promoted, and the provision of a secure bicycle cage close to the Glenroy train station would encourage local residents to use public transport combined with cycling. The Glenroy station is an extremely popular station. Many residents would be encouraged to further patronise public transport if this bicycle cage was installed. Currently I have a parliamentary intern working on a cycling strategy for the Pascoe Vale electorate and Moreland. When her report is finalised I will provide the minister and her department with a copy. I understand there are some excellent suggestions in it.

I highlight the fact that in April of this year the Minister for Public Transport informed the wider community that more cyclists will be able to combine their cycling with public transport use. This is in addition to the rule allowing cycles in the last carriage of Connex trains and all carriages of V/Line trains. Regular cycle users appreciate that every effort is made by the minister to combine cycling with public transport. I understand that the minister is also developing guidelines that will enable more people to combine travel with cycling by having folding bikes which will be allowed on any carriage in any train.

I congratulate the Brumby government on accelerating the delivery of at least 20 secure bike storage cages at train stations throughout Melbourne and in key regional areas at a cost of \$1 million. These 20 new cycle cages will provide around 400 secure new bike spaces for

public transport users. Metlink, Connex and V/Line will be working together to provide clear signage and information to assist cyclists and the travelling public to understand where bikes can be taken on public transport.

Roads: Gippsland

Mr MULDER (Polwarth) — The issue I raise is for the Minister for Roads and Ports. I call on the minister to immediately provide funding for Gippsland roads that appear in statistics of the ABS (Australian Bureau of Statistics) as being distressed. The roads appear in the shires of Bass Coast, Baw Baw, East Gippsland, South Gippsland, Wellington and in the city of Latrobe. Given that this government has posted a \$1.6 billion surplus, it is completely and totally unacceptable that this particular region of Victoria has roads that appear in the ABS as being distressed. The distressed roads that are talked about are roads with shoulders that have broken up, potholes, rough riding and poor line markings. They include roads which are completely unsafe and are not suitable for the work they are supposed to do in the community they serve.

The ABS reports that in 2006–07, 19.2 kilometres of state roads in the city of Latrobe were distressed. Similarly, 22 kilometres of state roads in the shire of Baw Baw were affected; as were 33.1 kilometres of state roads in the shire of South Gippsland. In the Bass Coast shire 15.6 kilometres of state government roads were distressed. In the shire of Wellington, 18.5 kilometres of state government roads were distressed; and in the shire of East Gippsland, 18.9 kilometres of state government roads were distressed. They are poorly maintained roads; they are potholed; and they have broken shoulders. The condition of those roads is an absolute disgrace while the government is sitting on a bucketful of money.

It is quite obvious that state government roads in these shires have been poorly maintained by the Labor government's agency, VicRoads. Because the government cannot control cost blow-outs on Melbourne road projects such as the M1 Monash Freeway upgrade, which has blown out by \$361 million, Gippsland residents should not be asked to shoulder the blame because of the government's inability to control cost blow-outs on Melbourne roads.

When you add this government blow-out to the infamous myki smart card that has blown out by \$350 million, Gippsland residents will get a good understanding of where their hard-earned taxes are ending up — certainly not on their roads but on poorly planned, poorly programmed, poorly prioritised and

poorly costed projects, a speciality of the Labor government in Victoria.

The Auditor-General's June 2008 report found that VicRoads request to the Labor government for additional 2008–09 maintenance funding had been totally rejected. It was told that there is no maintenance money for country roads in Gippsland, even if they are distressed. That is what the Labor government and the Minister for Roads and Ports are saying to the people of Gippsland, 'We have got no money for you'.

While there is no additional funding for Gippsland roads to be maintained in a safe manner, the opposition obtained a copy of the Labor government's high productivity freight vehicles route that proposes to send B-triple trucks down into the Gippsland area. In other words, take bigger trucks, take heavier trucks, knock the roads around even more, but provide no funding to make them safe.

State Emergency Service: Gippsland

Ms GREEN (Yan Yean) — The matter I wish to raise is for the attention of the Minister for Police and Emergency Services. The action I seek is for new rescue vehicles in support of the hardworking SES (State Emergency Service) units of Gippsland.

Climate change is with us, and one of the realities of climate change means an increased risk of adverse weather events, whether it be storms, floods, wind or wildfires. Gippsland has known this only too well. Only this century alone Gippslanders have seen two megafire events and last year experienced two devastating flood events. Consequently it is imperative that our emergency services importantly get the resources they need.

I am proud to be part of a government which supports our emergency services, in particular Victoria State Emergency Service (VICSES). Since 1999 the VICSES annual budget has increased by 171 per cent, from \$9.7 million to \$26.3 million in 2008–09. As part of its \$20.5 million emergency services package in the 2008–09 budget the government committed \$2.6 million to replace critical assets to enhance the ability of VICSES volunteers to respond to a range of emergencies.

I am privileged to have seen the work of VICSES units first hand, and in particular I would like to thank the Maffra unit for the work it has done and for showing me around last year during the devastating flood events. I was particularly impressed by the its work. I believe they and all the other wonderful units in Gippsland should be supported into the future. I urge the minister

to provide additional resources in terms of emergency vehicles in support of the magnificent SES volunteers of Gippsland.

Buses: Traralgon NightRider service

Mr NORTHE (Morwell) — I wish to raise a matter for the attention of the Minister for Public Transport. The action I seek is for the minister to support an initiative from the Traralgon CBD Safety Committee to trial a NightRider bus service in the Traralgon entertainment precinct. The Traralgon CBD Safety Committee comprises a number of interested stakeholders, including Latrobe City Council, local police, venue operators, taxi operators, the local business community and the community at large. Darren Chester, the federal member for Gippsland, and I have attended many of these meetings.

The committee was conceived in part to initiate improvement in community safety within the Traralgon entertainment precinct. Unfortunately, as in other parts of regional Victoria, the Traralgon entertainment precinct has experienced a number of incidents involving antisocial behaviour and assaults, and the committee has indicated its desire to instigate a trial NightRider bus service to provide greater community safety. This service would benefit all of the Latrobe Valley community, with the dispersal of nightclub patrons to neighbouring towns such as Morwell, Moe and Churchill. In the Victorian government's budget of 2008–09 there is a funding allocation of \$2.8 million for NightRider bus services, but this applies to metropolitan areas only. Once again regional Victoria seems to miss out.

Through Latrobe City Council, the Traralgon CBD Safety Committee had been able to previously obtain funding under the federal government's National Community Crime Prevention program (NCCPP) to provide security at the Traralgon taxi rank, which immensely improved the orderly dispersal of patrons to surrounding towns. Unfortunately the current federal government has seen fit to cease this funding program and subsequently, on my understanding, there will be no provision for security for the Traralgon taxi rank in the near future. To rub salt into the wound this state government has not committed funding towards taxi rank security, which is disappointing to say the least, given the recent success at the Traralgon taxi rank. Of note is the fact that some other states provide support and funding to such programs.

A further relevant aspect is that an application is currently under consideration for the Traralgon entertainment precinct to become a designated area

under legislation passed in state Parliament last year. I for one strongly supported this application due to the increased powers afforded to police in designated areas. The problem remains, of course, as to whether the police have sufficient resources to enforce the law. On previous occasions it has been demonstrated in the Traralgon entertainment precinct that where an increased police presence has been visible the incidence of antisocial behaviour and violence has reduced markedly.

It is vital that young people are involved in community safety initiatives, so it was therefore pleasing to note that just this week a Safe Streets Summit was conducted in Traralgon. This afforded our local youth an opportunity to provide feedback on how to deal with alcohol-related issues in our region. My understanding is that this forum identified transport availability as being of enormous significance in resolving these difficult issues. For the benefit of the Latrobe Valley community and in the interests of community safety I call upon the Minister for Public Transport to support this trial.

Police: Foster station

Ms LOBATO (Gembrook) — I raise a matter for the Minister for Police and Emergency Services. At the last election the Labor government made a commitment to build a new police station at Foster. The action I seek is for the minister to assure the Foster community of the time line of this project. The community of Foster will be further well served and protected by their police members operating from the quality facility the community deserves.

We know of the Brumby government's commitment to providing adequate facilities and resources. Wherever we go throughout Victoria we see the evidence, with new facilities and additional police members ensuring that our homes and streets are safe. This commitment is demonstrated throughout Gippsland. In Baw Baw shire we have rebuilt Moe police station at a cost of \$4.4 million, Rawson police station at a cost of \$445 000 and Warragul police station at a cost of \$5.5 million. In East Gippsland we have rebuilt Bairnsdale police station at a cost of \$10.3 million and refurbished Bendoc, Bruthen, Buchan, Swifts Creek and Cann River police stations at a combined cost of nearly \$2 million. In South Gippsland we have rebuilt Leongatha police station at a cost of \$640 000, Mirboo North police station at a cost of \$412 000 and Toora, Lang Lang, Meeniyan and Boolarra police stations at a combined cost of \$1.7 million. In the Latrobe Valley we have rebuilt the Churchill police station at a cost of \$500 000, the Latrobe Valley police and law courts

complex at a cost of \$37.2 million — and the list goes on.

This commitment to ensuring the safety of Victorians extends throughout all rural and regional areas, including my electorate of Gembrook. I was very pleased that the Minister for Police and Emergency Services opened the Yarra Junction police station only a couple of weeks ago. The Brumby government continues to build on Victoria's largest ever investment in police facilities. Since 1999 there have been 150 police station rebuilds or refurbishments, 117 of them in country Victoria.

I could go on about the resourcing of Victoria Police throughout the whole of Victoria, and rural and regional Victoria in particular, but I will not because time is against me. What I seek is for the Minister for Police and Emergency Services to outline the time line with regard to the Foster police station.

Racing: Latrobe Valley

Dr NAPHTHINE (South-West Coast) — The issue I raise is for the Minister for Racing, and the action I seek is for the minister to guarantee the future of thoroughbred racing in the Latrobe Valley by, firstly, increasing the number of meetings scheduled for the Latrobe Valley Racing Club at Traralgon and, secondly, supporting the proposed redevelopment of the Moe racetrack.

The Moe Racing Club has put forward proposals to increase the size of the Moe racetrack, to install an all-weather track, to expand opportunities for trainers to come and operate at Moe and to install lighting to facilitate twilight racing. This innovative and comprehensive redevelopment will need the strong support of the state government and Racing Victoria, and there is already great support from the local council and the local community. I call on the minister to support this innovative redevelopment proposal for Moe, and I look forward to talking to the Moe Racing Club further about that tomorrow when I attend its cup meeting with local members, the member for Morwell and the member for Narracan.

Earlier this year the Latrobe Valley Racing Club received a real kick in the guts when the state Labor government allowed one of its only three race meetings to be taken away. There is real concern with regard to the impending blueprint which will further threaten this important club. The Latrobe Valley Racing Club at Traralgon lost its unique and special dual-code meeting and now faces the challenge of holding its cup meeting on the very same day that there are races at Cranbourne.

We need a commitment from the government to work with Racing Victoria for the long-term future of the Latrobe Valley Racing Club at Traralgon. The members and committee of the Latrobe Valley Racing Club who I met with yesterday have worked hard to rebuild this club after some difficult times. They have got the club back in the black, and they run successful meetings. Earlier this year the club was dealt a real blow when it lost one of its three meetings, and the Minister for Racing sat by and did nothing. Now we need the Minister for Racing to fundamentally support thoroughbred racing in Traralgon.

It is important that thoroughbred racing continues and expands at Traralgon. Traralgon is the fastest growing area within the Latrobe Valley, and it is vital that thoroughbred racing continues there. We call on the minister to ensure that the club not only survives but is allocated more meetings. In particular, I call on the minister to make sure that the dual-code meeting, the combined meeting between greyhound racing and thoroughbred racing, is held together.

Finally, I would like to acknowledge and thank Warren Smith, who is retiring after 24 years of excellent service to the Parliament, its members and the people of Victoria. We wish him best wishes for a long and happy retirement. Thank you, Warren, for your service.

African community: government assistance

Mr PERERA (Cranbourne) — I wish to raise a matter for the Minister for Community Development. The action I seek from the minister is to help the Latrobe Valley's growing African community by establishing an enterprise that will serve its needs. The Latrobe Valley has a long and proud history of welcoming new settlers from overseas and war-torn countries. More than 100 African families have moved to the area in the past two years, of which the majority are from the Bor community. Bor is a city in Southern Sudan and is the capital of Jonglei state. As members may know, Jonglei is one of the 26 states of Sudan and is where the civil war started in 1983. It has an estimated population of close to 1 million people.

I have worked closely with the Sudanese community in Frankston North, and I know a lot of them have family members who live here in the Latrobe Valley. I also know it is important for newly arrived migrants to be able to conveniently purchase native goods and products. A limited number of African products are available at Asian shops in Gippsland, but African families residing in the valley need to travel to Dandenong to buy African staple food and products. The Victorian government needs to support the

establishment of an enterprise that will specifically service the needs of the growing African community here in the Latrobe Valley.

I also join other members of the house in wishing Warren Smith the best in his retirement.

Responses

Mr HELPER (Minister for Agriculture) — I thank the member for Forest Hill who sought my support for the Victorian small business commissioner's services to be extended and made more widely available in Gippsland. I thank her for her support of the small business sector in her electorate. I thank her for the support that she extends to the small business sector right throughout the state.

The Office of the Victorian Small Business Commissioner was created in 2003 and has been incredibly successful at resolving disputes between businesses. When you think about the alternative to a mediated resolution to a business dispute, being a legal resolving of that dispute — with apologies to all the lawyers in this chamber — you can think of the enormous amount of money that does not end up in lawyers' pockets but stays in the pockets of those in the small business sector. In that sense I am pleased that my predecessor, as Minister for Small Business, created the office of small business in 2003. Over 75 per cent of disputes are resolved through mediation.

I am always pleased when I meet with the small business commissioner, Mark Brennan, on a quite regular basis. He informs me of, and I stress with him, the importance of these services to particularly regional Victoria, where access may be more difficult and where the awareness of the service may not be as wide as in the metropolitan area.

If I can put an advertisement in for the Victorian small business commissioner, I shall do so. Regional businesses can contact the small business commissioner on 1800 136 034, or go to the website at www.sbc.vic.gov.au. I know the community of Gippsland will be eagerly looking through *Hansard* for the phone number and web address of the small business commissioner in order to contact him.

However, the contact between the small business commissioner is much more direct. The commissioner has done an extensive tour through western Victoria, and that has been highly successful for the small business community right throughout western Victoria. The commissioner has informed me that he will be visiting eastern Victoria — including Gippsland of

course — very extensively over the next six months. I welcome that opportunity for the small business community of Gippsland to engage with the small business commissioner. But as I say, and I stress this, the small business communities can always engage with the small business commissioner, whether he is physically in the area or otherwise.

As the member for Forest Hill has indicated, the Victorian small business commissioner is doing an absolutely terrific job, and I encourage this community, particularly its small business sector, to engage with him very actively.

It gives me great pleasure to respond to the Leader of The Nationals. He raised his desire for the reintroduction of a fox bounty. I took very careful note of the Leader of The Nationals' comments; I reckon this would stack up as being a true record or a true quote, even in *Hansard*. He said that the fox bounty has played its part over the years.

Let me point out to the Leader of The Nationals that the only years when the fox bounty has played a significant role have been the years of a Labor government because the previous government never had a fox bounty. In the dark years of the Kennett era, foxes were running rampant all over this state, and it has only been in the years of the enlightened Labor government that we have actually had a fox bounty.

I recognise that the Leader of The Nationals also acknowledged that a bounty is only a part of the management regime for pests such as foxes and wild dogs. I recognise that the government reached the view that on two occasions special circumstances arose where the bounty was particularly appropriate, and on those occasions we had the bounty in place. But if you look at the sorts of circumstances and the initiatives the current government has put in place to manage fox issues, again as the Leader of The Nationals points out, there is an extensive reliance on the management by private landowners of foxes on their land — through warren destruction, shooting, trapping and of course poisoning.

I just highlight one initiative that we have introduced that was much criticised by The Nationals but has actually turned out to be an incredibly successful way of making 1080 bait for the control of foxes and other pests much more user-friendly, much more readily available and much more conveniently available for land-holders right throughout the state. In that sense we are certainly keeping up our — —

Mr Ryan interjected.

Mr HELPER — I am happy to show the press releases to the member. We welcome the recognition by the Leader of The Nationals that foxes are a problem and that foxes need to be controlled. We will continue to instigate an integrated strategy of controlling foxes. I join the Leader of The Nationals in also calling on landowners to be actively involved in fox control.

Mr HULLS (Minister for Racing) — It is just as well we do not have goose racing in this state, because if we did, the member for South-West Coast would be at the front of the pack. He obviously has no idea how the racing industry is run in this state. He supported the legislation to set up Racing Victoria Ltd (RVL) and what he is now saying to this house and to all Victorians is that if he were racing minister, he would personally set race dates in this state. He would personally decide which race clubs had which race meetings on which particular dates.

Dr Napthine interjected.

Mr HULLS — So it goes to show how little he knows about the industry and why he is considered such a goose within the industry. The fact is we set up RVL. It is the role of RVL to consult with the industry. It does that, and RVL — not the minister — has the job to set race dates. That is the first thing I wanted to say.

The second thing is he knows that as a government we fully support racing in this state. We fully support country racing. In relation to Traralgon and Moe and other racetracks around this state, he also knows that RVL is working on and is about to release a blueprint for the industry. That entirely is a matter for RVL. We set it up. Every member sitting in this house — and I can point to each and every one of them — supported legislation to set up RVL.

I conclude on this note. All they need to do is have a look at the contribution that Damian Drum, a member for Northern Victoria Region in another place, made in relation to the process to set up RVL. He said it was a great process. He fully supported it, and I agree with him.

Mr BATCHELOR (Minister for Community Development) — I want to thank the member for Cranbourne for his request for action. The member, who does a lot for newly arrived immigrants in his electorate, is expressing support for these newly arrived immigrants in the Latrobe Valley.

The member is correct in identifying that there is an increasing number of African immigrants who have moved to the Latrobe Valley since arriving in Australia. The Latrobe Valley is indeed a wonderful place to live,

work and raise a family but the Latrobe Valley African community is inconvenienced when it comes to being able to purchase traditional produce for their families. That is why I have approved a \$15 000 community enterprise grant for the Bor Community Association of Australia in order to establish the African community shop here in the Latrobe Valley.

Community enterprise grants support the development of community enterprises and not-for-profit business ventures that meet local community needs. Community enterprises reinvigorate communities by creating more jobs, more training opportunities and more affordable services for local people. It is particularly relevant to be speaking about community enterprise grants today, during Anti-Poverty Week which I launched with the Premier on Monday. Community enterprise grants are helping people across Victoria to set up thriving and sustainable enterprises that meet local community needs. They can change the lives of the people involved by giving them access to both training and on-the-job skills. The \$15 000 community enterprise grant for the African community shop was announced by the local upper house member, Matt Viney, this week. The grant will go to the Bor Community Association of Australia, which will be auspiced by the Migrant Information Centre.

For the information of members, the Bor Community Association of Australia, in partnership with the Sudanese community association, the Dinka Christian River Nile association and the Bor Youth Association of Australia are going to establish this African community shop in Morwell. The steering committee will be comprised of representatives from these groups along with representatives of other local community organisations and the local government. This is really another example of the cooperation between different levels of government, particularly between the Victorian government, the Latrobe City Council and a wide range of other community organisations and is the type of practice supported by this government.

Not only will the shop provide African goods and produce that are not available in the mainstream shops and supermarkets, but it will also provide the opportunity for community members to gain employment and learn business skills for their future. The shop will be centrally located within a region where many people currently go to shop and access services, and it will also therefore become a social centre for the African community residing in Gippsland. The member for Cranbourne can be assured that the Victorian government is providing assistance to the African community, not only in his electorate of Cranbourne but also in the Latrobe Valley.

Mr CAMERON (Minister for Police and Emergency Services) — I thank the honourable member for Yan Yean for raising the matter in relation to the State Emergency Service in Gippsland, and I thank her for the enormous support that she gives to the SES. Of course Gippslanders truly support the work of the SES, because it does such a fantastic job, and certainly this government supports the SES. Since we came to government in 1999 there has been a 171 per cent increase in the budget of the SES, from \$9.7 million to \$26.3 million in the last budget. Part of that money in the last budget was \$2.6 million to replace critical assets to enhance VICSES (Victoria State Emergency Service) volunteers' ability to respond to a range of emergencies. Certainly Gippsland has had its fair share of emergencies, and I see the honourable member for Gippsland nodding only too readily — —

Mr Ryan — East!

Mr CAMERON — The member for Gippsland East. Last year we saw the very large fires and the floods, and he has been an enormous supporter of the SES, because he knows the vital work it does. I can advise that Mallacoota, Swifts Creek, Bonang and Buchan VICSES units will be receiving new four-wheel-drive vehicles, the Bairnsdale VICSES unit will receive a new road rescue kit, and the Loch Sport VICSES unit will receive a new rescue boat. With that tremendous commitment, just as we have a tremendous commitment to the CFA — —

Mr McIntosh — In Traralgon why don't you fully fund the station?

Mr CAMERON — In this area we have fully funded a station — —

Mr McIntosh — You haven't!

Mr CAMERON — And there was only one party at the last election committed to the Traralgon CFA, and that was Labor. We have done that.

I thank the honourable member for Gembrook for raising the matter relating to the police station at Foster, and I certainly congratulate her on the enormous support she gives police, particularly in her own area. I was recently delighted to be able to join with her at Yarra Junction for the opening of the new police station. She has been a great supporter of that project for a long period of time. She raised a matter relating to Foster, and you would have to say — and recently I was able to visit and meet with Sergeant Neil Coates and Senior Constable Karen McDonald — that their present circumstances are not all that flash. They are in a very temporary portable building — —

Mr Ryan — Very ordinary.

Mr CAMERON — The Leader of The Nationals calls it ordinary, and it is. It is a very small building next to the CFA, and those police officers are there while the works take place on the existing site. I was pleased to be able to see where the site would be — —

Mr McIntosh interjected.

The SPEAKER — Order! I suggest to the member for Kew that question time was several hours ago. I ask for his cooperation so that we can continue in an orderly manner.

Mr CAMERON — Work was to start soon after I visited. Victoria Police advised me that the work under the contract is to be completed before April. I believe the police hope that it is before then, as does the Foster community. I congratulate the Foster police for the work they do in their community and the police service area (PSA) where we have, since we came to government, seen an increase of 19 per cent in police numbers, and since 2001 a decrease in crime of 32 per cent. I congratulate them on the work they do fighting crime, including domestic violence, the work they do on the roads and in dealing with emergencies. We have a great police force in this state. We have seen additional police put on, we have seen crime being tackled across the Gippsland PSAs, and I congratulate all the police on the work they do in their local communities.

Mr MERLINO (Minister for Sport, Recreation and Youth Affairs) — The members for Narracan, Pascoe Vale and Morwell raised matters for the Minister for Public Transport, and the member for Polwarth raised a matter for the Minister for Roads and Ports. I will ensure that those issues are raised with the relevant ministers for their response.

Mr BATCHELOR (Minister for Community Development) (*By leave*) — I would like to make a contribution to do two things. Firstly, I would like to thank all the people who have assisted in bringing this regional sitting of the Parliament to a successful conclusion. It has really been a herculean effort, but the result has been outstanding. There has been a huge team from the Parliament of Victoria involved. I would like you, Speaker, to pass on the collective thanks of all members of Parliament and their staff who have seen that today has been a resounding success.

I would also like to ask you, Speaker, to pass on our thanks to the people from Monash University and other local people who have assisted in catering and providing the facilities and the wherewithal to make

sure that today was a success. I think all members have found this to be the best regional sitting so far. It seems we go from strength to strength in these regional sittings, and we as a government look forward to organising the next regional sitting in the next term of Parliament.

I would also like to join with others and thank Warren Smith, the principal attendant. I understand he is going on leave and then at the conclusion of that leave, he will retire. He has provided more than a quarter of a century of service to the Parliament of Victoria and through that, the people of Victoria. He has been a stalwart. He has been very helpful and always eager and friendly, even in the most difficult and trying of circumstances that he sometimes has to deal with. We thank Warren Smith and wish him all the best for a safe and long retirement.

Honourable members applauding.

Mr RYAN (Leader of The Nationals) (*By leave*) — I endorse the comments made by the Leader of the House. I wish particularly to thank Vice-Chancellor Richard Larkins and those many other members of staff at Monash University who have made it possible for the sittings of the Parliament to be accommodated at this fine facility. I spoke to someone earlier today about the transformation of the auditorium into what we see around us here. When you think about the amount of work that has been undertaken in a very short period of time to permit the set-up to occur such as it is, it is clear it is a great tribute to Monash University that we have been able to use these beautiful facilities.

That segues nicely into the fact that so many staff of the Parliament at so many different levels have contributed to enable the sittings to be conducted here. I am not surprised that the minister said this is the best of the country sittings so far. We are in Gippsland after all; it is rather self-explanatory. The fact is you do have to have an enormous number of people lending their joint efforts in a coordinated way to make these things possible. Through you, Speaker, I ask that that sentiment be conveyed to all those concerned on our joint behalf. That position is reflected by all of us.

I thank also the members of the police force who have been in attendance today. I did remark to one of them earlier that I won my last six fights by 10 back fences! But it is a great thing to ensure we have security measures in place. I thank the members of the force for being present.

Finally, I also endorse the minister's words of congratulation to Warren Smith. I trust that he has a

long and productive retirement. Mind you, the word should be struck out of the dictionary. This is a guy, I am sure, who will put his time to very good use. My only regret really is that we are not finishing at 4.00 a.m., so he could go out thinking, 'By Jove, retirement was a good idea'. I wish Warren and his wife Kaye very well on our joint behalf.

The SPEAKER — Order! I would like to record my thanks to Monash University and Latrobe City Council for their cooperation in making today a great success. The parliamentary staff have been, as we all know, terrific in every endeavour that they put their minds to. Today has been a fine example of that. I pass on my thanks to the security and the police, who have been here to protect us on what is probably not a terrific day for them. I thank also the maintenance, catering and the IT crews. I thank all the people who have been involved in putting today together. I give my thanks and the thanks of all Victorians for a delightful day at Churchill.

The house now stands adjourned.

House adjourned 6.32 p.m. until Tuesday, 28 October.

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