

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

Thursday, 20 July 2006

(Extract from book 9)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

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Standing Orders Committee — The Speaker, Ms Campbell, Mr Cooper, Mr Helper, Mr Kotsiras, Mr Loney and Mrs Powell.

Joint committees

Drugs and Crime Prevention Committee — (*Assembly*): Mr Cooper, Ms Marshall, Mr Maxfield, Dr Sykes and Mr Wells. (*Council*): The Honourable S. M. Nguyen and Mr Scheffer.

Economic Development Committee — (*Assembly*): Mr Delahunty, Mr Jenkins, Ms Morand and Mr Robinson. (*Council*): The Honourables B. N. Atkinson and R. H. Bowden, and Mr Pullen.

Education and Training Committee — (*Assembly*): Ms Eckstein, Mr Herbert, Mr Kotsiras, Ms Munt and Mr Perton. (*Council*): The Honourables H. E. Buckingham and P. R. Hall.

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Family and Community Development Committee — (*Assembly*): Ms McTaggart, Ms Neville, Mrs Powell, Mrs Shardey and Mr Wilson. (*Council*): The Honourable D. McL. Davis and Mr Smith.

House Committee — (*Assembly*): The Speaker (*ex officio*), Mr Cooper, Mr Leighton, Mr Lockwood, Mr Maughan and Mr Smith. (*Council*): The President (*ex officio*), the Honourables B. N. Atkinson and Andrew Brideson, Ms Hadden and the Honourables J. M. McQuilten and S. M. Nguyen.

Law Reform Committee — (*Assembly*): Ms Beard, Ms Beattie, Mr Hudson, Mr Lupton and Mr Maughan. (*Council*): The Honourable Richard Dalla-Riva, Ms Hadden and the Honourables J. G. Hilton and David Koch.

Library Committee — (*Assembly*): The Speaker, Mr Carli, Mrs Powell, Mr Seitz and Mr Thompson. (*Council*): The President, Ms Argondizzo and the Honourables Richard Dalla-Riva, Kaye Darveniza and C. A. Strong.

Outer Suburban/Interface Services and Development Committee — (*Assembly*): Ms Buchanan, Mr Dixon, Mr Honeywood, Mr Nardella and Mr Smith. (*Council*): Ms Argondizzo, Hon. C. D. Hirsh and Mr Somyurek.

Public Accounts and Estimates Committee — (*Assembly*): Ms Campbell, Mr Clark, Ms Green and Mr Merlino. (*Council*): The Honourables W. R. Baxter, Bill Forwood and G. K. Rich-Phillips, Ms Romanes and Mr Somyurek.

Road Safety Committee — (*Assembly*): Dr Harkness, Mr Langdon, Mr Mulder and Mr Trezise. (*Council*): The Honourables B. W. Bishop, J. H. Eren and E. G. Stoney.

Rural and Regional Services and Development Committee — (*Assembly*): Mr Crutchfield, Mr Hardman, Mr Ingram, Dr Napthine and Mr Walsh. (*Council*): The Honourables J. M. McQuilten and R. G. Mitchell.

Scrutiny of Acts and Regulations Committee — (*Assembly*): Ms D'Ambrosio, Mr Jasper, Mr Leighton, Mr Lockwood, Mr McIntosh, Mr Perera and Mr Thompson. (*Council*): Ms Argondizzo and the Honourable Andrew Brideson.

Heads of parliamentary departments

Assembly — Clerk of the Parliaments and Clerk of the Legislative Assembly: Mr R. W. Purdey

Council — Clerk of the Legislative Council: Mr W. R. Tunnecliffe

Parliamentary Services — Secretary: Dr S. O'Kane

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FIFTY-FIFTH PARLIAMENT — FIRST SESSION

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Deputy Speaker: Mr P. J. LONEY

Acting Speakers: Ms Barker, Ms Campbell, Mr Cooper, Mr Delahunty, Mr Ingram, Mr Jasper, Mr Kotsiras, Mr Languiller, Ms Lindell, Mr Nardella, Mr Plowman, Mr Savage, Mr Seitz, Mr Smith and Mr Thompson

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Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. J. W. THWAITES

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

Mr E. N. BAILLIEU

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

The Hon. LOUISE ASHER

Leader of The Nationals:

Mr P. J. RYAN

Deputy Leader of The Nationals:

Mr P. L. WALSH

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Holding, Mr Timothy James	Lyndhurst	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
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Kotsiras, Mr Nicholas	Bulleen	LP	Wilson, Mr Dale Lester	Narre Warren South	ALP
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wynne, Mr Richard William	Richmond	ALP

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Thursday, 20 July 2006

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

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 1 to 81 inclusive, 173 to 174, 296 to 297 and 354 to 356 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.

PETITIONS

Following petitions presented to house:

Boating: Half Moon Bay ramp

To the Legislative Assembly of Victoria:

The petition of fishing families in Bayside and the wider Melbourne community draws to the attention of the house the failure of the Bracks government to commit appropriate resources to support viable boat ramps in Port Phillip Bay and in particular the Half Moon Bay boat ramp.

Owing to the siltation of the bay around the ramp and an inadequate dredging program, boats are regularly delayed, stranded and damaged.

The response from the Bayside council and the Bracks government has been inadequate to address concerns previously raised following the lodgment of a 1000-signature petition with the council approximately three years ago.

Prayer

We the undersigned petitioners call upon the Bracks government and the Bayside council to fix the problem now and develop protocols for the continuing maintenance of the ramp.

By Mr THOMPSON (Sandringham) (60 signatures)

Sandringham Primary School: playground

To the Legislative Assembly of Victoria:

The petition of the members of the Sandringham Primary School community draws to the attention of the house the importance of having safe and appropriate recreational activity areas for its students.

Prayer

The petitioners therefore call upon the state government and Bayside council to take all steps necessary to enable the land

on the north-west corner of the school site to be utilised as part of the school playing area.

By Mr THOMPSON (Sandringham) (517 signatures)

Planning: Sandringham precinct

To the Legislative Assembly of Victoria:

The petition of the residents of Sandringham draws to the attention of the house congested road conditions surrounding the council offices and Sandringham hospital.

Prayer

The petitioners therefore request that the City of Bayside, Bayside Health and the state government develop a strategic vision for the Royal Avenue, Bluff Road, Harold Street and Edward Street precinct to:

- (i) preserve in perpetuity the existing public open space which was part of the original vision for the area in the 1930s;
- (ii) balance the aggregation of local government, health and allied services infrastructure in a way which protects the neighbourhood character and low-density development;
- (iii) enter into negotiations with the Department of Defence to utilise part of the army barracks in Royal Avenue, Sandringham, for car parking;
- (iv) gazette the existing public open space as parkland in accordance with the original concept plan for the area;
- (v) engage in a public consultation process with local residents prior to increased development and the dumping of portable buildings on open space and ensure that we all care for the future.

By Mr THOMPSON (Sandringham) (36 signatures)

Crime: standard minimum sentencing

To the Legislative Assembly of Victoria:

The petition of the residents of Victoria requests that the Victorian government takes action to ensure the community of Victoria is adequately protected from habitual violent criminals who commit violent sexual crimes, violent crimes against children or violent crimes against vulnerable elderly people and calls on the Victorian government to impose minimum jail sentences for these habitual violent criminals.

By Mr WALSH (Swan Hill) (20 signatures)

Tabled.

STANDING ORDERS COMMITTEE

Review of joint standing orders

Mr LONEY (Lara) presented report, together with appendices.

Tabled.

Ordered to be printed.

CHILDREN'S COURT OF VICTORIA

Report 2004–05

Mr HULLS (Attorney-General) presented, by command of the Governor, report for 2004–05.

Tabled.

Ordered to be printed.

DOCUMENTS

Tabled by Clerk:

Auditor-General — Performance Audit Report — *Making Travel Safer: Victoria's Speed Enforcement Program* — Ordered to be printed

Terrorism (Community Protection) Act 2003 — Report on powers under the Act for the year 2005–06.

BUSINESS OF THE HOUSE

Adjournment

Mr BATCHELOR (Minister for Transport) — I move:

That the house, at its rising, adjourn until Tuesday, 8 August 2006.

Motion agreed to.

MEMBERS STATEMENTS

Sri Lanka: internal conflict

Ms BEATTIE (Yuroke) — On Boxing Day 2004 a tsunami struck Sri Lanka and devastated that country. Since then more devastation has visited Sri Lanka. However, this time it is internal conflict that racks the nation. The High Commissioner for Sri Lanka in Australia, Mr Balapatabendi, has been working tirelessly to bring groups together for peace talks. Members know that I am the convenor of the Victorian Parliamentary Friends of Sri Lanka.

In two decades of fighting 64 000 people have been killed and a further 1 million people have been displaced. Many of the dead are women and children. There was a suicide bomb blast in Colombo in 2004

and the foreign minister was assassinated in 2005. In early June a mine attack killed at least 68 people, including 15 children and 29 women.

I call on all groups in Sri Lanka, regardless of ethnicity or religion, to sit at the table and begin new peace talks to end the killing and violence. All groups, including the Liberation Tigers of Tamil Eelam (LTTE), must participate in meaningful and lasting peace talks. They must continue the dialogue that saw a ceasefire in 1985 and more peace talks in 1995. In 2002 another ceasefire was brokered with the assistance of Norway. Although the European Union has listed the LTTE as a terrorist organisation, it still must participate in peace talks so that a lasting peace can be achieved.

Police: Bass Coast

Mr SMITH (Bass) — Some time ago I raised the issue of the lack of police in the Bass Coast area and the problems of closed police stations because of a shortage of police, particularly on Phillip Island, San Remo and Inverloch. It is not good enough to say that there are extra police on the streets when police stations have to close because there are not enough police. The minister said in a letter to me that there has been a 13 per cent increase in the number of police in the Bass Coast area, yet we only have one divisional van on the road at night to cover a huge area from Cowes to Leongatha to Lang Lang.

We know in Melbourne that large numbers of police patrol the streets day and night, yet in country Victoria we cannot get enough police to fill a shift to keep a station open at night and at times during the day. We know the minister lied to the member for Mornington regarding police numbers in Mornington, and I believe he has been lying to me —

The SPEAKER — Order! The member's comments are out of order. I ask him to withdraw.

Mr SMITH — Speaker, I did not call him a liar; I just said he has been lying to me —

The SPEAKER — Order! I have asked the member for Bass to withdraw.

Mr SMITH — I withdraw. I do not believe he has been telling me the truth in what he has been saying with regard to police numbers. A public meeting will be held next week down on Phillip Island, and I think the minister should come down there and explain to the people of Phillip Island why there is a shortage of police, why he is neglecting our area and why he is not doing something positive to try to overcome this problem.

McKinnon Primary School: facilities

Mr HUDSON (Bentleigh) — Recently I had the pleasure of announcing with the Minister for Education and Training a \$4.3 million grant to begin rebuilding McKinnon Primary School. McKinnon Primary School recently celebrated its 75th anniversary, but if the Kennett government had had its way the school would never have reached this milestone.

In the 1990s the Kennett government tried to close the school, and it only remained open because of the strong campaign by the school community to save it. Three other schools in the Bentleigh area were closed. A decade later the short-sightedness of these policies has become obvious. Families are moving back into areas like McKinnon, Ormond, Bentleigh and East Bentleigh, and the schools are bursting at the seams.

McKinnon Primary School, which had 190 students in 1999, now has an enrolment of 575 despite the existence of a neighbourhood zone around the school for the last few years. Likewise McKinnon Secondary College, the top non-selective secondary school in the state, now has over 1200 students on a constrained site despite the existence of a tight neighbourhood zone for several years as a result of the closure of Murrumbeena High School.

The redevelopment of McKinnon Primary School will result in 12 new permanent classrooms, a new learning resource centre, another building that will act as a specialist teaching space for art and craft, along with a new physical education area and outdoor basketball and netball courts. Credit is due to the school's principal, Sandra Myrwoda, and the president of the school council, Peter Saba.

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

VicRoads: Broken River Vineyards signage

Mrs POWELL (Shepparton) — I recently met with Mr Fred O'Keefe, who with his wife is the proprietor of a business called Broken River Vineyards at 425 River Road, Kialla, which is 5 minutes south of Shepparton. They have also established a cellar door at the site.

Mr O'Keefe is totally frustrated at the lack of assistance from VicRoads to allow him to erect signs to direct people to his business. In fact VicRoads is hindering his business. Mr O'Keefe told me he erected two signs at his business in November last year, and in February this year a VicRoads officer pulled the signs down, smashed one in half and painted over the other one and has admitted destroying them. Mr O'Keefe applied to

VicRoads for tourism signs in February and was told by VicRoads he could only have the signs off the alternative route at Shepparton-Euroa Road corner and at the Euroa Road and River Road corner. Mr O'Keefe needs tourism signs on the two main approaches to Shepparton — the Goulburn Valley Highway, where the alternative route or River Road commences, as well as on the Midland Highway.

This is bureaucracy gone mad. There is no benefit to Mr O'Keefe's cellar door business if people cannot find it. Mr O'Keefe is happy to have his signs erected on existing structures advertising other tourist attractions off the Goulburn Valley and Midland highways. The City of Greater Shepparton and Tourism Greater Shepparton are aware of this problem and are supportive of Mr O'Keefe's request for more signage.

The slogan used to attract tourists to Australia is relevant to this case: 'Where the bloody hell are you?' Visitors trying to find this cellar door business ask this question often. I ask the government to support tourism in country Victoria, and in this case allow commonsense to prevail and give the appropriate signage to Broken River Vineyards.

City Pacific Ltd: advertisements

Mr ROBINSON (Mitcham) — I wish to commend this morning the work of the Australian Securities and Investments Commission (ASIC) for its cautioning of a prominent financial services company soliciting investments in Victoria. The company, City Pacific Ltd, is a regular advertiser of investment opportunities in the Victorian media. Its advertisements describe how its investments through various vehicles, including a mortgage trust, offer high levels of security. But these investment opportunities are not guaranteed. They inherently contain a risk.

I wrote to ASIC in February about the language used by City Pacific. ASIC advised me last month that, while the formal prospectus lodged by the company used appropriate language, it had requested the company to 'cease the use of misleading terminology such as "high level of security" to describe an investment in the trust in any further communications with existing or potential investors'.

It did seem to take the company longer than it should have to amend its web site, but it has now done that, which is a good thing. The company's lax use of language is surprising given its board membership. Its directors include Mr Shane Stone, a former federal Liberal president, well known to us — he of the 'mean and tricky' memo notoriety. I am pleased the company

has complied with ASIC's request lest it be held to be guilty of its own tricky marketing tactics.

Yosef Small

Mrs SHARDEY (Caulfield) — I seek the assistance of the Minister for Community Services with a constituent by the name of Yosef Small, who in the opinion of the Caulfield General Medical Centre aged care assessment service should be prioritised for a Home First package. His application for this service is supported by Kath Baggaley, an occupational therapist from the Inner South Community Health Service, who wrote:

His need to commence on a Home First package now is crucial to his ability to avoid inappropriate nursing home placement.

Mr Small's disability relates to a spinal neurological condition which has caused hemiplegia on his left side, poor balance and the capacity to walk only a couple of metres with a walking frame. He is mostly in a wheelchair. He does not fulfil early ageing criteria. While neurological changes may well limit Mr Small's ability to remain at home independently in the long term, according to the Caulfield General Medical Centre, 'It is imperative that he is able to access home care and independence while he can'. This man is a delightful, articulate person who deserves our help.

Community houses: Cranbourne electorate

Mr PERERA (Cranbourne) — Neighbourhood houses give people a chance to develop new skills, meet new people and pursue new recreational opportunities in their local community. They connect people with their community — for example, they offer isolated mums the opportunity to meet with each other, develop friendships and learn new skills.

Merinda Park learning and community centre is one of these community houses, and it provides vital services to the constituents of Cranbourne. I am pleased to state that the Bracks Labor government recently announced a grant of \$50 000 to assist with an extension to the Merinda Park community centre.

The Cranbourne community house also provides vital services to constituents of Cranbourne, and I am also pleased to say that the Bracks Labor government has recently announced funding of \$16 500 to assist with modernising its information and communications technology. The Bracks Labor government is delivering for our community and neighbourhood houses.

Kew courthouse: preservation

Mr McINTOSH (Kew) — The Kew courthouse remains vacant following Victoria Police relocating to the new Boroondara police complex four years ago. Since then the Bracks Labor government has left the Kew courthouse to rot. While some patch-up work has been undertaken on the roof to cover four large holes, the roof still needs to be replaced. The inside of the building has been exposed to the elements for some time. Many of the internal walls and ceilings show signs of water damage, as do many of the window frames. Large sections of the floor will need to be replaced. The paintwork, both outside and inside, together with the masonry works, is in an appalling condition. The building is badly weathered.

I acknowledge the good works of the Boroondara council, and in particular the good work of the local ward councillor, Phillip Healey, which is currently negotiating to purchase the building from the state government in order to preserve it in public hands. The council, together with Professor Peter McIntyre, the Kew Historical Society and the Kew community have undertaken a public fundraising campaign to help restore this magnificent heritage building.

While very supportive of the Kew community's desire to restore this significant part of Victoria's heritage, I am very concerned that the Bracks Labor government is using the imminent sale of the building to disguise its immediate obligations. The Bracks Labor government, like any other land-holder, is bound by the Heritage Act. Irrespective of any potential or eventual sale of the Kew courthouse, it must protect that part of Victoria's heritage for which it is responsible. If it fails to do so, it makes a mockery of heritage in this state.

Telstra: network

Mr LEIGHTON (Preston) — Kenneth Davidson's opinion piece, 'Why we have a failure to connect', in the *Age* of 13 July was not one of his best. It was disappointing to see him being an apologist for Telstra. Davidson derides Optus for building a 'largely redundant duplication of Telstra's national network' while other telecoms are lambasted because Telstra is forced to 'sell access to its copper network at below replacement cost to its competitors'.

Davidson's contention that it is technological change not competition that has brought down telecommunications costs is only half right. Technological advances have made it possible to talk to people on the other side of the world for as much as it costs to call across town, but without competition

Telstra will not allow technological change to occur. Telstra has refused to embrace ADSL2 (asymmetric digital subscriber line). ADSL2, which is already revolutionising both telecommunications and television in the United Kingdom, threatens Telstra's lucrative data communication and cable TV markets. Telstra is simply ignoring the voice-over-Internet protocol market, which even its British counterpart, BT, is now actively marketing.

Telstra is blackmailing its rivals over the rollout of fibre to the node. It is again stymieing the provision of decent broadband in Australia. Instead of the telcos sensibly sharing infrastructure, Telstra may be responsible for wasteful duplication, as we saw with mobile phone towers and pay TV cables. Australian consumers will again be worse off for Telstra's intransigence. Indeed Telstra seems to have a pathological inability to listen to consumers and give them what they actually want.

Rural and regional Victoria: infant hearing tests

Mr MAUGHAN (Rodney) — On 30 June 2005 the Ewing distraction test for hearing, which provided an important hearing screening service to infants in rural and regional Victoria, was withdrawn by the Bracks government. The Victorian infant hearing screening program was then expanded to include newborn babies but — surprise, surprise! — the service was only made available to neonates born or admitted to neonatal intensive care units or special care nurseries at six major hospitals in Melbourne, and as from April this year, at Wodonga.

Since the withdrawal of the Ewing distraction test nothing has been established to replace it in rural and regional areas, leaving people in country Victoria without a screening test for hearing loss in newborns. This is totally unacceptable. It is great that babies born or admitted to the six major metropolitan hospitals are now being screened for hearing loss, but what about the 73 per cent of babies born in Victoria each year that are not born either in Wodonga or in the six major hospitals?

This is another example of the government looking after Melbourne at the expense of country Victoria. I call on the government to ensure that all Victorian newborn babies in Victoria have access to hearing screening tests, wherever they may live.

Trail bikes: state park and forest strategy

Mr MAXFIELD (Narracan) — I rise this morning to congratulate and highlight the success of the Bracks government in protecting our regional communities and particularly for its handling of the issue of trail bikes in our state parks and forests.

Trail bike riding is a legitimate recreation and one that we support; however, there have been some issues about how trail bikes have interacted with the general public. They have been using the same tracks as horseriders and bushwalkers, and in some cases there has been the creation of erosion. The announcement of the Bunyip State Park strategy and the following announcement earlier this week about signposting and dealing with tracks where erosion has occurred will enhance the ability of the entire community to enjoy our state parks and forests while at the same time provide unloading places and guidelines for appropriate trail bike riding.

It is a legitimate sport, but as a community we all have to work together to ensure that the community functions properly. In the Rokeby-Crossover forest area in my electorate the motorbike riders, the four-wheel drivers and other bush users are all working together to create a cooperative arrangement so that if, for example, a horserider is coming along, the motorbike rider will stop his bike until the horse passes and then restart the bike. This example of working together to enjoy our forests should be followed across the state.

Videos: X-rated

Mr PLOWMAN (Benambra) — This morning on regional ABC radio the issue of X-rated videos was discussed. It appears that X-rated videos are freely available in adult centres in both Albury and Wodonga. It is my understanding that the videos are also freely available in adult centres in Melbourne. The issue was raised on air with the Chief Commissioner of Police, Christine Nixon, who said that it is illegal to sell X-rated videos over the counter but the police would take action only if a complaint is made.

Further investigations indicate that these videos are freely available for sale in the Australian Capital Territory and the Northern Territory. It is also clear that although it is illegal to sell X-rated videos in Victoria, it is not illegal to possess them if they have received classification. This makes prosecution difficult unless it is clear that classification has been refused. It is suggested that under the current regime the law is unenforceable.

I raise this issue with the Attorney-General and the Minister for Police and Emergency Services because it has been brought to my attention that some very unacceptable material is being made available under the guise of being X rated when in fact it has not been classified. It is important that both ministers take action to clean up this very unacceptable practice and ensure that adult centres are made to act within the existing laws.

Migrants: citizenship test

Mr LIM (Clayton) — I bring to the attention of the house the negative implications of the so-called citizenship test proposed by the Howard government. A citizenship test cannot test whether a person loves and respects this country. It only creates an impossible barrier to older immigrants who are on family visas obtaining citizenship because of the difficulty in acquiring the language skills, when in fact they love and respect Australia as much as you and I do, Speaker.

The immigration department has already imposed high barriers to potential immigrants obtaining resident status in Australia — for example, skilled migrants must have satisfactory English test results. If a person is worthy enough to be a resident, there is no reason for citizenship to be refused.

What makes us Australian? What are the Australian values that the media keeps referring to? Is a person less Australian if he or she cannot tell you who was the first Prime Minister of Australia? If migrants are forced to take the test, it would only be fair if all Australian-born people took the same test to prove their Australianness. What is the Howard government trying to achieve? Is it that only people with English as their mother tongue are worthy enough to be awarded Australian citizenship? We have come so far to let go of the white policy; we do not need an assimilation policy that divides our country.

Office for Youth: staff

Mr KOTSIRAS (Bulleen) — I stand to condemn this hypocritical and arrogant government for ignoring our youth. Labor is failing young Victorians by refusing to employ a single young person in the state's peak youth affairs office. Labor's rhetoric on valuing youth involvement fails to translate into youth participation. Labor's Minister for Employment and Youth Affairs has admitted that no young Victorian is employed in her department.

It is inexcusable that out of the 21 full-time staff working in the Office for Youth, not one is under the age of 25 years. How can Labor claim to represent

young people but fail to employ a single person under 25 years of age? Our youth have unique skills, expertise and experiences, and all levels of governments have a responsibility to harness and utilise those skills. There are many young people who would do an excellent job in the Office for Youth, if only they were given a chance. Our youth must be shapers of events, not merely observers. I am happy to pass on to the minister a few names of young people from my electorate of Bulleen who would do an excellent job in her office.

It is unbelievable that there is not a single person under the age of 25 years working in the office. I wonder if there are any women in the Office of Women's Affairs or any members from our indigenous population in Aboriginal Affairs Victoria? I would assume that people would be employed on expertise, skills and merit, but I would have thought there are excellent young people with expertise and skills who would be able to work in the youth affairs office, if only given the chance.

Our Environment Our Future: renewable energy

Mr JENKINS (Morwell) — I would like to applaud particularly the Construction, Forestry, Mining and Energy Union and the other power industry trade unions and the community of the Latrobe Valley who have welcomed wholeheartedly the Bracks government's commitment to the Victorian renewable energy target, as announced by the Minister for Environment and the Premier last week in the sustainability action statement.

The trade union movement members who work in the brown coal mines and power stations in the Latrobe Valley know that renewable energy is an important part of a responsible approach to providing energy needs right across Victoria. They know that solar energy and wind energy are important ways to fight the amount of greenhouse gas going into the environment.

Some of our best environmentalists work in the power industry, doing what they can to make improvements such as those they have made over the last 10 years, when we have seen an almost 10 per cent reduction in the amount of greenhouse gases being produced for every megawatt of electricity coming out of the Latrobe Valley.

This is an important initiative and one that needs to be supported by the federal government. Instead the federal government has removed or walked away from renewable energy targets. It is important that this government not only give a commitment, as we have,

to requiring an improvement in energy targets but also make it mandatory, as we have. By 2016 it will be mandatory for suppliers to be purchasing 10 per cent of renewable energy. It is an important initiative and one that we need support for from opposition members, but they also need to impress upon their federal colleagues — —

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

Healesville High School: achievements

Mr HARDMAN (Seymour) — I rise to congratulate the Healesville High School community, which has been working to provide innovative educational opportunities for its students. Last week I had the pleasure of attending the opening of the science and technology wing with the Minister for Education Services. It was fantastic to see the results of the Bracks government's investing in schools, particularly in the Seymour electorate, and it was also great to see the investment in young people, because that is what this is about.

Even better, it was great to see the thoughtful and creative way in which the school has utilised its funding. For example, the new science facilities have three classrooms which are connected or close to the science preparation rooms and stores. The deputy principals at the school, who have been sharing the acting principal role for a while this year, explained to me how their science classes have become more engaging and better learning experiences for their students. They told me that the teachers have had better access to science equipment and as a result have been conducting more practical lessons and experiments, thus engaging the students in learning.

Also the year 7 computer class is taking part in the \$12.7 million Yarra Valley e-learning project, where one laptop is provided for every two students in the class. The students have been working together on projects, learning tools, educational web sites and programs, and all are really engaged in learning through their projects. It was great to see that this school is an innovative state school providing great educational opportunities for the students of Healesville.

Rotary: Drysdale and Ocean Grove clubs

Ms NEVILLE (Bellarine) — I recently had the opportunity to be a guest at the Drysdale Rotary Club and Ocean Grove Rotary Club for their changeover dinners. Both these clubs are large, vibrant service clubs which do amazing work. Service clubs play an

important role not only in supporting their local communities but also in promoting a culture of service that is about a culture beyond self, contributing to specific projects and building a more sustainable local community.

Across the world, as I am sure other members know, Rotary International has played a key role in seeing polio almost eliminated. This is a significant contribution and achievement. Local Rotary clubs have contributed substantial resources to this public health issue. Local clubs are also involved in key projects. For example, the Drysdale Rotary Club operates the miniature railway in Portarlington, the art show and the family fun day, which contribute substantial funds to key services in Bellarine and Geelong and across the world. They include things like the Cottage by the Sea, the State Emergency Service and community facilities. The Ocean Grove Rotary Club similarly contributes substantially to community services and has undertaken important community projects like the new boardwalk project, youth projects and the personal defibrillator project, amongst others.

I would particularly like to acknowledge the two outgoing presidents, Mercedes Drummond and Helen Trigg, who have done a fantastic job. I congratulate Rotary members on their service to the local Bellarine community.

Gembrook electorate: budget allocations

Ms LOBATO (Gembrook) — I wish to highlight some recent local achievements in the electorate of Gembrook. A major commitment was made towards Gembrook Primary School in the recent state budget to the tune of \$2.6 million. This funding comes on top of the \$1 million provided in the previous state budget. The school will shortly be able to commence construction of stages 1 and 2 of the rebuilding of their school. Congratulations to all involved at Gembrook primary.

I would also like to congratulate the police at Yarra Junction police station. The recent state budget provided \$1 million to construct a new police station at Yarra Junction, and I advise the house that I was recently informed that on top of that \$1 million Yarra Junction police will receive a further \$300 000 to purchase a new area of land to build it on, given that the current land is too small.

There is also a \$400 000 grant for Lakeside Children's Centre, which I announced last week. That comes on top of the \$500 000 previously allocated for that

project. Congratulations also go to Emerald neighbourhood house!

Industrial relations: WorkChoices

Ms LINDELL (Carrum) — I would like to condemn the federal government's WorkChoices legislation, which permits Australian workplace agreements to allow fines to be imposed on workers who fail to give 12 hours notice for taking sick leave. Today we heard of the discussions between the Australian Chamber of Commerce and Industry and the federal Minister for Industrial Relations on cutting back the number of sick days to which workers are entitled.

The consequence of these changes will result in workers turning up sick, risking their own health and safety in some cases and endangering other workers by bringing cold and influenza viruses into the workplace. Even parents are asked to keep children with colds away from child care and schools to ensure that influenza does not spread across the general population. Yet the federal government is forcing workers to turn up for work sick and endanger other workers. It stands condemned for the legislation that is in place at the moment and for being in discussions to impose even worse conditions on workers.

Surely all Australian workers will reject the federal government and its absurd industrial relations laws, which will mean people who are ill will be forced to go to work.

Keith Pimblett

Mr DONNELLAN (Narre Warren North) — Today I want to congratulate a local teacher, Keith Pimblett, who teaches Victorian certificate of applied learning and vocational education and training programs at Eumemmerring Secondary College. This is a gentleman who has been a very successful businessman and who specialises in sheet metalwork and the like. He has gone into teaching to pass on his enthusiasm and knowledge to students, specifically looking at the manufacturing industry and those trades.

The reason I am congratulating him today is that he has done a marvellous job of trying to link the school in with local manufacturing businesses. He has taken students to trade expos — the Minister for Education and Training spoke at the last one. His enthusiasm is absolutely infectious. The best thing about it is that he will get better results for the school and get students through to apprenticeships instead of their finishing secondary school without a skill or a trade and looking at a limited future.

He has been at the school for only a year, but his enthusiasm and involvement in the school has been absolutely marvellous. I congratulate him for his contribution to the future of our kids.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Ballarat East has 50 seconds.

Schools: Ballarat East electorate

Mr HOWARD (Ballarat East) — The school communities across my electorate of Ballarat East have been very pleased by the outcome of the most recent state budget. In particular, the Mount Pleasant Primary School was very excited to be allocated a further \$2.4 million to complete the school's final redevelopment phase. Likewise the Creswick Primary School was very excited to receive a \$1.9 million allocation, which will finally see the older part of the school refurbished. The Daylesford Secondary College was also very pleased with its \$600 000 maintenance allocation, as was the Kyneton Secondary College with its \$300 000 maintenance allocation. They are very pleased to have got those boosts.

I have visited many other school communities recently, and they are also excited about the funding they have been allocated. Education and schools across my electorate have certainly gained very well from the most recent budget.

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

SNOWY HYDRO CORPORATISATION (PARLIAMENTARY APPROVAL) BILL

Second reading

Debate resumed from 15 June; motion of Mr THWAITES (Minister for Water).

Mr CLARK (Box Hill) — The Snowy Hydro Corporatisation (Parliamentary Approval) Bill relates to a project that has been iconic in Australia's history and to a public enterprise which is an important element in what is now an electricity supply system interconnected across much of Australia. The Snowy River system is also vital to the supply of water for both environmental and irrigation purposes. All of these matters were recognised by all sides of politics when the legislation to corporatise Snowy Hydro electricity and related assets was debated in this Parliament in 1997; it passed with the support of the Liberal, National and Labor parties. A very strong commitment was made by the

Liberal-National government of the day to ensure that Victoria's vital interests in environmental and irrigation flows from the Snowy River system were protected. That was supported by the then Labor opposition.

In recent times we have had a proposal initiated by the New South Wales government, which the commonwealth and Victorian governments joined, to privatise Snowy Hydro Ltd, the currently publicly owned vehicle which owns Snowy Hydro electricity and related assets. As all members know, in early June this year the commonwealth government decided it would not proceed with the sale of its 13 per cent share in Snowy Hydro Ltd. Following on from that the New South Wales and Victorian governments decided not to proceed with the sale of their shares.

I quote from what the Prime Minister, John Howard, said at the time in a media release of 2 June 2006, entitled 'Australian government withdraws from sale of Snowy Hydro Ltd':

In December last year the New South Wales government unilaterally announced it would sell its majority shareholding of 58 per cent in Snowy Hydro Ltd.

This decision to sell the Snowy Hydro has created significant unhappiness, concern and unrest throughout the Australian community.

In addition, there are a number of outstanding Snowy water licence issues which are creating uncertainty and affect the interests of the environment, farmers, irrigators and all those who depend on the health of the Murray Darling Basin.

The Australian government has decided that the sale of its 13 per cent share will not deliver long-term benefits to the country.

In response to the strong opposition and the need to safeguard the interests of all those dependent on Australia's iconic water resources, the Australian government will withdraw its 13 per cent share from the sale of Snowy Hydro Ltd.

It is now up to the New South Wales and Victorian governments to decide on action in relation to their respective shareholdings.

The Prime Minister's press release and his accompanying public statements summarised the position that in effect has now been reached by each of the New South Wales, Victorian and commonwealth governments — namely, in recognising very strong public feeling and opposition and the uncertainty that existed in relation to protecting environmental and irrigation flows, the sale of the Snowy Hydro should not proceed.

That is the position of the Victorian government, notwithstanding the criticisms of the Prime Minister

that the Treasurer and others have attempted to make on the way through.

It should be said in passing that the experience with the abandoned sale of Snowy Hydro Ltd shows from a state government point of view the folly of its reliance on windfall sale proceeds, such as it was expecting to receive from its share of the sale of Snowy Hydro, for the provision of what should be core government activities and essential infrastructure for the community, such as school maintenance and school upgrades. It is noticeable that up until the time the state government decided it would participate in the sale of Snowy Hydro it would have us believe that Victoria's school system was in tiptop condition, there was no problem with maintenance and the need for upgrades, expansions and new schools was well in hand. Yet all of a sudden, when the government decided to join in the sale of the Snowy Hydro and realise upwards of \$600 million in receipts from that sale, it decided there was a desperate need for extra funds to be injected into our school infrastructure and the entire proceeds, expected to be in excess of \$600 million, would be provided to improve those schools which up until then the government was telling us were not neglected, not run down and for which future provision was well in hand.

Along the way we also saw a shift in the government's position in relation to exactly what funding was to go into schools. Initially the impression, if not the clear statement, from the government was that all the proceeds, minus some specific sums identified for water-related purposes, would go into the school system. Later on the story changed and the government was only going to put into that a specified sum, being the bulk of the first \$600 million, and the rest was to be used for other unspecified purposes. But whatever the government's position was, it was left with a \$600 million-plus hole in its plans for Victoria's school system when the sale of Snowy Hydro Ltd did not proceed. For all the arguments about what was or was not provided for or factored into the forward estimates, the fact was that the government was counting on that money to put into the school system when it should have made proper provision out of its regular funding sources for essentials like school maintenance, school upgrades and new schools.

After the sale of Snowy Hydro had been called off, the government introduced into this house the bill that is now before us, which does a number of things. Centrally it prohibits the state of Victoria from disposing of or transferring shares held by it in Snowy Hydro without the approval of each house of Parliament, given by a motion passed by each house. It

also requires a member of Parliament giving notice of a resolution to approve a disposal or transfer of shares, to cause to be laid before the house on the same day any agreement relevant to the proposed disposal or sale that deals with water flows, the Snowy Hydro licences, the constitution of Snowy Hydro, the Snowy water inquiry outcomes implementation deed, the supply of information between Snowy Hydro and the Murray-Darling Basin Commission or the agreement under the Murray-Darling Basin Act 1993. Finally, the bill declares that the legislation displaces the Corporations Act to the extent necessary to avoid any inconsistency.

It is fair to say that as far as I am aware no side of politics has any proposal to sell Snowy Hydro, in light of the strong views made clear by the public and the uncertainty and other concerns raised in the course of the recently terminated proposed sale. Certainly there is no such intention or plan on our side of politics, which is something that the Leader of the Opposition made clear on Melbourne radio on the day the abandonment of the sale of Snowy Hydro was announced by the various governments. I should also make it clear, even though it is not directly relevant to the current debate, that there is no plan or intention on our side of politics to engage in privatisation of water assets. I make that clear because it is an allegation frequently raised by the Labor Party, with no foundation whatsoever. Had we on our side of politics been planning to privatise water assets, it is something we could have done during the term of the Kennett government, but it was something we did not do.

We restructured the Melbourne water system and created the three retailers which currently exist and which have been retained by the current government and have proved very effective in improving the retail supply of water within the Melbourne metropolitan area. We also embarked on putting a massive injection of funds into rural and non-metropolitan water and sewerage assets. That also has served Victorians well and greatly strengthened non-metropolitan and rural water and sewerage infrastructure across the state. I place that on the record simply to dispel any of the spurious allegations that might be emanating from members of the government during the course of this debate.

When we turn to the second-reading speech for this bill, we find it full of the usual Labor Party spin doctoring and outrageous claims. I refer in particular to one passage which I will quote, namely:

There has been community concern over the sale of Snowy Hydro. The Independent member for Gippsland East, Craig

Ingram, has consistently advocated that environmental flows for the Snowy River and irrigator entitlements are protected.

This bill achieves that.

This bill does not achieve what the Minister for Water claimed it would achieve; it is totally silent on the subject of environmental flows for the Snowy River and irrigator entitlements. As I said earlier, the bill simply provides that there needs to be a resolution of the house for a disposal or transfer of shares and that certain information needs to be provided to the house if such a resolution is being put forward. It says absolutely nothing about ensuring that environmental flows and irrigator entitlements are protected.

I should also say that the way the second-reading speech describes the various documents that are required to be made available under the legislation if a resolution is put forward is somewhat misleading. The second-reading speech gives the impression that various documents that are already in existence need to be laid before the house. It is possible that that may be the case in future but what the bill in fact requires to be made available are agreements that deal with the various matters referred to in new section 6A of the Snowy Hydro Corporatisation Act 1997.

In other words, the bill is primarily focused on agreements that may be relevant to the proposed disposal or transfer of shares and that relate to those various matters. It does not expressly or specifically require that existing documents be laid before the house at that time. Of course, the logic is that if it is important that those existing documents be made available publicly, then why are they not being made public at the present time? So this bill, despite the typical spin doctoring by the Bracks government in an attempt to overstate what the bill in fact does, is a bill that simply requires a resolution of both houses of Parliament before any disposal or transfer of shares owned by the state of Victoria can proceed. It does not seem likely that that measure will ever need to be relied upon, given that no side of politics is talking about a sale or disposal of Victoria's shares in Snowy Hydro.

The Nationals have circulated some amendments that seek to go further than what is currently in the bill. They would require that a three-fifths, or 60 per cent, majority vote be obtained if any sale or disposal or transfer of shares was to occur. These amendments will put the government to the test as to whether it is serious about what it is putting forward in this bill, because if the argument is that the Snowy is such an iconic and important public asset and public enterprise that there needs to be a special decision by Parliament and strong community support for the sale to proceed, then there is

eminent logic in the amendments The Nationals have put forward, which would require not merely a simple resolution of the Parliament.

Such a resolution, depending on the outcome of future elections, may be quite likely to require the support simply of the government party if the government party has a majority in both houses of Parliament. If The Nationals amendments are agreed to, they will effectively mean that all major political parties will need to agree to the sale, or at the very least there will need to be 60 per cent majority support, which will require more than the support of the government and any minor parties.

The opposition's view is that the amendments of The Nationals are worth supporting because they add real substance to this bill. They give effect to the logic of the bill, which is that there should be a clear, whole-of-community decision if the sale of these important assets is to occur. That community support needs to be evidenced by more than simply a resolution passed in both houses of Parliament, which, as I say, could in some circumstances simply be a resolution supported by the government of the day. For that reason the Liberal Party will be supporting the amendments to be moved by The Nationals.

Mr WALSH (Swan Hill) — I rise to speak on the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. When history is written some time in the future — if we can ever find out what all the history is that has led up to this bill — it will make a very interesting read. We have all no doubt read in the press about the various stakeholders in the debate who have laid claim to stopping the sale of Snowy Hydro — and I will come to that a bit further on when I talk about the second-reading speech and how I think it is trying to rewrite history in some ways — but I think that, interestingly, the key to this whole issue was probably the decisiveness of the Prime Minister of Australia, John Howard, although — —

Ms Pike — He changed his mind! How decisive is that?

Mr WALSH — I think he finally realised — and I know picking up interjections is not ideal — but I think — —

Ms Pike — He changed his mind!

Mr WALSH — Finally someone in politics, on realising the facts, actually read something — —

Ms Pike interjected.

Mr WALSH — He realised this was not a good proposal.

The ACTING SPEAKER (Mr Delahunty) — Order! The minister and the member for Swan Hill can have a discussion through the Chair.

Mr WALSH — And I do not think any of us should shrink away from the fact that if we have second thoughts about something we can actually change our minds. I think full credit goes to the members of the federal government for changing their minds — otherwise we would have had a disaster going forward.

What we are really debating here, bearing in mind the amendments that The Nationals have circulated, is: what is the best way to keep Victoria's share of Snowy Hydro in public ownership going into the future? In 2002 the Premier introduced into this place the Constitution (Water Authorities) Bill, which was subsequently passed with the support of all members of Parliament. The bringing in of that bill was the implementation of an election commitment, and I will quote from the second-reading speech on that bill:

... an amendment to Victoria's constitution was proposed to entrench the public ownership of our water authorities.

This bill implements that commitment. The ownership of our water authorities that deliver water to Victorians will be entrenched in state ownership by amendments made to the Constitution Act 1975. Any bill that removes the responsibility for ensuring the delivery of water services from a public authority will be governed by those entrenchment mechanisms and will require a special three-fifths majority of all of the members of both the Legislative Council and the Legislative Assembly before it can be submitted for royal assent.

It goes on to say:

I am sure that all members will support the retention of water authorities for the benefit of future generations —

which all members subsequently did. The logic behind the amendments The Nationals will be moving to this bill is that we believe the exact same principles that the Premier expressed in his second-reading speech in 2003 should apply to the Snowy Hydro as well, because we believe retaining public ownership of Victoria's share of Snowy Hydro is as important as retaining public ownership of any of the water authorities in Victoria.

I note that a lot of the second-reading speeches made by the Minister for Water are in some ways more ministerial statements than second-reading speeches, in that quite a lot of political spin is inserted towards the beginning of them before we get to the details that deal with the bill. As I said when I started my contribution to this debate, this bill's second-reading speech,

particularly the preamble to it, in some ways tries to rewrite the history of who made what decisions and in what sequence as far as the proposal to sell the Snowy Hydro goes. I think it would be fair to assume that New South Wales wanted to sell its share of Snowy Hydro basically to fix a black hole in the New South Wales budget and to fix massive problems that state has with its health and public transport systems.

It is interesting that in the lead-up to the New South Wales state election there have apparently been items in a New South Wales newspaper about the 'Carr wreck', identifying all the things former Premier Bob Carr had got wrong over a period of time. At some time in the future perhaps here in Victoria we may have the *Herald Sun* or *Age* running a column called 'The Bracks stack' when referring to all the major projects in Victoria that are going to crash because they are over time and over budget. I firmly believe that the Victorian government effectively caved in against the best wishes of Victoria to support its New South Wales Labor colleagues so that they could have sufficient funds to fix some of their black holes and public asset problems.

Another issue involved in it — and the previous speaker touched on this — is the comment about the member for Gippsland East and the fact that this bill achieves what he wanted to do with a private member's bill. I do not believe the bill before the house does that; I do not believe the bill is strong enough in enshrining Victoria's share of Snowy Hydro into public ownership. The question I would ask is: has the member for Gippsland East sold his soul to the Labor Party again by not being stronger on those sorts of issues? No doubt he will make some contribution on that and enlighten the house as to whether or not he has sold his soul to the Labor Party again.

The second-reading speech, and I will go into more detail a bit later, says that it sets out in the agreement how water flows, particularly environmental flows, and the supply of water will go to irrigators. Anyone who understands water and the variable climate would realise that you cannot be absolutely prescriptive with those things; there needs to be some flexibility going forward, because you never know when rain events or droughts will occur. I do not believe it can be absolutely prescribed or be prescriptive into the future.

I will talk later about Snowy Hydro and how it balances the issue of water release for power generation versus water release for the environment or for irrigators to go forward. When reading the second-reading speech I would ask every member on the government side to look at the intent of the legislation. If they examine their consciences they would have to support The

Nationals proposed amendments to the bill for it to achieve all their rhetoric about the legislation. I would like to put on the record a bit of the history of the Snowy. We are all talking about the Snowy Hydro, but probably not a lot of people really know what we are talking about.

The Murrumbidgee and Murray rivers have been controlled for irrigation since the start of the 20th century. The Snowy River was not; it ran wild to the sea, as everyone would know from the debates about returning flows to the Snowy. In the period after the Second World War there was much discussion about a proposal for New South Wales to divert some Snowy water to the Murrumbidgee to supplement irrigation. In that debate there was little emphasis on power generation. The Victorian government proposed an alternative scheme involving much more generation of power and diversion to the Murray as well as to the Murrumbidgee.

The commonwealth government at that time looked at the national implications for this and called a meeting in 1946 between the federal and state representatives to discuss the utilisation of the Snowy waters. A committee was set up to examine the broader ramifications of all those proposals. In 1948 a report from that group suggested a far bigger proposal than had ever been considered by any of the others, and it was not just about diverting the Snowy but also about many of its tributaries, and it was not just to one river but to the Murray and the Murrumbidgee. In the process the debate had broadened and was looking at generating a significant amount of hydro power. A further report was submitted in 1949, as a result of which the commonwealth Parliament passed the Snowy Mountains Hydro-Electric Power Act. Immediately after that the Snowy Mountain Hydro-Electric Authority was set up and started the whole process.

The Snowy Mountains scheme covers a bit over 5000 square kilometres in southern New South Wales. Back in those days — and this is interesting to note — the project was built on time and on budget and cost \$820 million. I have not done the calculation as to what \$820 million in 1950 and 1960 would mean in today's dollars, but it would be a lot of money. But the project was built on time and on budget! It surprises me that any of the governments of Australia would consider selling something that was built at \$820 million at that time for what is reported to equate to \$2.5 billion now. The governments were proposing to sell it far too cheaply.

This project, which was built on time and on budget, collects and stores water that normally flows east,

diverts it through tunnels through the mountains to power stations and then releases the water into the Murray and Murrumbidgee systems. The scheme consists of 16 major dams and seven power stations, two of which are underground. Anyone who has taken the effort to have a look at it would see that it is a major engineering feat. If you think back in time to the equipment they had to work with compared to the equipment used today, you see it is definitely a major engineering feat. The scheme also involves a pumping station, 225 kilometres of tunnels, pipes and aqueducts. It is operated by Snowy Hydro Ltd.

The scheme contributes to the national economy by diverting water that underwrites some \$3 billion worth of produce from the irrigated area, and it produces around 70 per cent of Australia's renewable energy.

It is interesting to look at the people who built the project. Between 1949 and 1974 over 100 000 men and women from 30 countries worked on the scheme. Seventy per cent of those workers were immigrants to Australia, and quite a few of those were displaced people or people who had left war-ravaged Europe. For those migrants their first introduction to Australia was working on the Snowy Hydro scheme. During its construction seven regional townships were established in the Snowy Mountains with more than 100 temporary camps. As anyone who has read the history of the Snowy Hydro would realise, the environment was very harsh. It was cold, wet and muddy at various times, but they were very tough people and they did a fantastic job. It was finished in 1974, and as I said, it was one of the major engineering feats in Australian history.

The other issue I would like to touch on is the generation of renewable energy. Snowy Hydro produces, as I said, 70 per cent of Australia's renewable energy, but a lot of that energy is produced for the spot market, and when there is failure in the major base load power generation it can effectively turn on the tap and generate power. It is interesting that Snowy Hydro has what is called above-target water. It has a commitment that each year it has to send a certain amount of water to the Murray, which is 172 gegalitres, and a certain amount of water to the Murrumbidgee, which is 1062 gegalitres, but any water above that requirement it can store in the Snowy Hydro as above-target water. That water can be stored for any number of years to generate power at any particular time.

What is also interesting is that that above-target water accounts for only 15 per cent of the power that Snowy Hydro produces but raises something like 60 per cent of the revenue that Snowy Hydro gets because of its ability to sell hedge contracts for power production in

the event of a base load power generator going down. As I said, if a base load power generator fails and it has sold a hedge contract, Snowy Hydro can turn on the tap and instantly generate power, which it can sell at quite a high price.

This is where we come to the conundrum caused by the fact that, if Snowy Hydro is fully privatised, the purchasers will want to make sure they are able to generate power, and particularly spot market power, to make as much money for the company as they can. The release of that water might not be at the best time for irrigators or environmental flows, so part of the logic behind why we believe Snowy Hydro should stay in public hands is so that at times there can be trade-offs. If it is a strictly Australian Stock Exchange (ASX) listed company and if in the timing of water releases there are going to be trade-offs for the community or for the environment, no doubt there would be discussions about compensation if that publicly listed company felt it had to do something different from what it would otherwise do to maximise profits for its shareholders.

Solving the conflict between power generation and the timing of water releases to achieve the best outcomes for irrigators and/or the environment is a conundrum we will have in perpetuity. We believe it is better off in public ownership so that at least that discussion can happen and there is the ability to make trade-offs at some stage.

History is being rewritten by all the participants in this debate, and everyone is claiming credit for how they saved the Snowy from being sold. As I said when I started, I think the leadership of the Prime Minister of Australia — and I have no doubt that The Nationals in the coalition in Canberra were behind closed doors pushing the case to keep the Snowy in public ownership — —

Mr Ingram interjected.

Mr WALSH — I will ignore the interjection from the member for Gippsland East, who believes he is the saviour of the Snowy, but I think history — —

Mr Hulls — That's what he told me.

Mr WALSH — That may be what he told others, but it took real leadership for the Prime Minister to change the government's mind, and I commend him for that. As I said when we started, I think it would be a sad day if none of us in any of the parliaments of Australia could not stand up and say, 'We have reconsidered something and we have changed our minds'. To the federal government's credit, it did. The states, after

huffing and puffing and saying, 'We are going to sell it no matter what', then fell into line and did not proceed with the sale of their shares.

The other issue that I briefly touched on is this: if it cost \$820 million in the 1950s and 1960s to build Snowy Hydro, why would we be looking at selling that public asset for something like \$2.5 billion? If you worked out what those dollars were worth then compared to what they would be worth now, I believe we were proposing to sell one of the great assets of Australia far too cheaply. The challenges that we as a society are facing as we go forward are about the supply of water and the supply of power. They are two of the most fundamental things we need for human existence and for industry in Australia. So why, after the Premier and this government were so strong, on being elected in 2002, about wanting to keep water authorities in public ownership, did they propose to sell Snowy Hydro, one of the great controllers of water and power production here in Australia?

I hope we will get the opportunity to have a consideration-in-detail stage, because a debate on how best to enshrine in legislation the public ownership of Victoria's share in Snowy Hydro is a debate this house should have. But just briefly, because I am not sure if we will get that opportunity, the intent of the amendments The Nationals have put forward for discussion is that instead of having a potential change of ownership of Snowy Hydro being agreed to by a simple majority in both the Legislative Assembly and the Legislative Council, we would like to see a change to the Victorian constitution similar to the change we made in 2003 in relation to any proposed changes to water authorities, so that a three-fifths majority of both houses would have to agree before there was any change to Victoria's share in Snowy Hydro.

I would urge, firstly, that the government let us go into the consideration-in-detail stage so we can have an informed and intelligent debate on those proposed amendments. But more importantly, I would urge every member on the government side — the Liberal Party has put its support for our amendments on the record, and I would assume the two Independents would support our amendments, and I would be very disappointed if they did not — to examine their conscience over the best way of keeping Snowy Hydro in public ownership and then support our amendments.

Ms LINDELL (Carrum) — Some days in this Parliament the debates are a real challenge. I have sat here and listened to the member for Box Hill preaching to the government about education funding and then listened to the member for Swan Hill preaching to us

about the need to look to our consciences in a debate on an issue of fundamental importance to all Victorians — an issue that the Liberal and National parties in Victoria only discovered once the Prime Minister had pulled the pin on the sale — and we have heard the flights of fancy — —

Mr Plowman interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Benambra will have his turn.

Ms LINDELL — We have heard the flights of fancy of the Liberal Party, and we have heard the history revisionists in The Nationals telling us that Victoria jumped into this sale, when in fact Victoria was the last government to sign up to the sale. We had the New South Wales government and then the federal government saying, 'Yes, we will sell our shares', so Victoria did the only thing it could do to ensure that Victorians' water rights were protected and entered the sale. Then we had the decision, one of the only decisions this Prime Minister has made that I probably agree with, that we should not sell it.

Dr Napthine — Why didn't you speak up in the party room?

The ACTING SPEAKER (Mr Delahunty) — Order! The member for South-West Coast has the next call.

Ms LINDELL — Where were we? Now we have the conversion on the road to Damascus. The Liberal Party spokesperson for Treasury comes in here today and says, 'Heavens above, we won't privatise water! There will be a scare campaign out there and those dreadful people from the government will tell you that we will, but we won't'. I say to him that in 1977, when the former Liberal-National coalition government came along to the Victorian public and tried to privatise Victoria's water — —

Dr Napthine interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for South-West Coast!

Ms LINDELL — And now they say, 'That is not what we will do'. Regardless of what the honourable member for Box Hill says today in this chamber, the Victorian public will look back and know and judge for themselves. It will not be what is said in this Parliament that makes up their minds; it will be their own memory of what happened in those long, dark seven years of the Kennett government. They were dreadful years, yet we have the revisionist policies of the National Party, the

great leadership of the Prime Minister — amazing hypocrisy. The member for Swan Hill talked about the challenges with water that we face as a country, and he is certainly right there, but there is a big challenge also in the Snowy Hydro that nobody wants to talk about, and that is that it was built some 50 years ago and its infrastructure is ageing and will need a huge investment of money. Let us see where we get in that debate and where we actually go to from here into the future.

The Bracks government believes this bill is the best way to ensure the environmental flows to the Snowy and Murray rivers and to ensure irrigators' entitlements receive more protection in the event of any future proposals for a sale of the Snowy Hydro. The National Party believes we should somehow put this into our constitution because it is a water authority, but it is not. We all know that the Snowy Hydro is not a water authority; it is actually a power company, a hydro-electric power company. It is based in New South Wales and operates under a New South Wales licence. It is jointly owned, as we all know, by New South Wales, Victoria and the commonwealth. How do we alter the Victorian constitution to somehow prevent a future sale?

It is absolutely not an appropriate way forward, so let us go back and talk some more about the member for Swan Hill's amazingly quoting to the government the government's legislation that ensured the public ownership of our water authorities. In opposition The Nationals support nothing that they did in government — nothing. Apparently they were not the party that decimated rural Victoria, they were not the party that closed the hospitals, they were not the party that closed the schools, even though they were there. They were not the party that allowed their Premier to refer to their constituents as the toenails of Victoria. In opposition they are total revisionists, and their hypocrisy in coming in here and quoting government legislation to the government is astounding. They are somehow trying to equate a hydro-electric power company with a water company that is licensed to operate in New South Wales and is owned by three different governments.

The National Party, in the person of Peter McGauran, and the Liberal Party, with that marvellous Senator Minchin — a delightful, wonderful fellow! — and of course Peter Costello, all supported the sale and ran around saying that it was fantastic. But in terms of the Victorian opposition, I do not recall hearing a gurgle, let alone a murmur or a whisper. There was not actually the plop of a pebble into a pond as far as noise from the opposition was concerned when this was happening.

Their great leader in Canberra had said, 'We will sell it', so it must be a good thing. And thank heavens for Sydney. I do not always have a lot of time for Sydney or Sydneysiders, but thank heavens for Sydney, because in Sydney they had people who would stand up — and as we know the Prime Minister pretty much only listens to Sydney. When the people took to the streets in Sydney and in Eden-Monaro — that wonderful marginal seat at the moment held by the federal government — the Prime Minister said, 'Oh, it is uncomfortable here. I think we had better have another look at this'.

I accept what the honourable member for Swan Hill was saying before: politicians should be able to stand up and say, 'We have changed our minds', but that is not how politics works, as he well knows, because in any other set of circumstances, if a member from an opposing party changed their mind, the member for Swan Hill would be standing here badgering them and banging on and on about backflips and weakness and so on. We know being opposition is not easy. The Labor Party had seven terrible years of it — those long, dark years — and there is no way of going back. This bill offers the best protection for the Snowy Hydro.

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

Dr NAPHTHINE (South-West Coast) — I rise to speak on the Snowy Hydro bill, which really should be called the 'Egg on Face Bill'. No matter how the Bracks government tries to turn those eggs into an omelette, the fact remains that the Bracks Labor government was an active, keen and enthusiastic seller of its share in Snowy Hydro, and the member for Carrum, who was the first speaker apart from the second-reading speech on the bill, gave the most abysmal, poorest defence of the government's position on this that I have ever heard in my nearly 18 years in this Parliament. It was an absolute disgrace. It is clear that the member for Carrum desires to be in opposition, and the way she is going she might get the pleasure of being in opposition in the near future, although I am not sure that she will survive.

The important thing about the Snowy Hydro is that the Prime Minister, John Howard, and the federal coalition government listened to the community outrage on the proposed sale and pulled the plug on it. They embarrassed the New South Wales and Victorian Labor governments, which quickly followed suit.

This bill is the height of hypocrisy. The Labor Party here in Victoria and the Labor Party in New South Wales were keen sellers of Snowy Hydro, and now

they are pretending to protect Snowy Hydro. The other illustration of hypocrisy is that this Labor bill outlines a whole raft of disclosures and information that must be made available before any future sale is contemplated. But it is interesting that there were no such disclosures when the Bracks Labor government was proposing the sale here in Victoria.

Even as recently as the briefing on the bill the Liberal Party asked for a copy of the prospectus to be made available prior to this debate. We also asked for a copy of the correspondence between Victoria and New South Wales and the correspondence between Victoria and the commonwealth on the proposed sale. But there was no appearance, Your Worship! While this bill purports to take an open approach to the sale and the disclosure of information, the reality is that this Labor government is a secretive government that was running a secret process with the sale.

Let me look at the issue of the prospectus. Appearing before the Public Accounts and Estimates Committee the Premier urged all Victorians to look at the Snowy Hydro prospectus to check on the future dividend stream. But after being asked about it in Parliament and saying he would supply the prospectus to the people, he has simply refused to respond to that request. He has not supplied the prospectus to the people of Victoria, and he has not supplied it to the Parliament. This is again a case of the difference between what the Labor Party says in legislation and when it puts on its public appearance, and reality. And the reality is that the Victorian Labor government wanted to sell its share in Snowy Hydro because it wanted to get its hands on the cash. It is now undertaking this exercise as a political cover-up, not because it is committed to the process. It purports to have an open and honest approach to any future proposed sale, but the reality is that with the previous sale it was engaged in secrecy, hypocrisy and cover-up, which are all characteristic of this government.

Make no mistake: Premier Bracks, Treasurer Brumby and the Minister for Water were all keen sellers of Snowy Hydro. The state budget was delivered on Tuesday, 30 May. We well remember that famous line on page 11 of the budget speech:

We are planning to deliver the biggest one-off investment in school building projects in Victoria's history by providing \$600 million from the sale of Victoria's share of Snowy Hydro.

Yet less than three days later, on 1 June, the sale collapsed. It collapsed because of the courage of the Prime Minister, John Howard, who listened to the community and pulled the plug. This left the Bracks

government's budget of three days earlier in absolute tatters. It caused the government's economic management to fall into disarray, and it left the schools throughout the length and breadth of Victoria that need major upgrades and significant maintenance in the lurch.

I had the situation in my own electorate where the Parliamentary Secretary for Environment, Ms Elaine Carbines — —

Mr Hulls interjected.

Dr NAPHTHINE — She was out there — —

Honourable members interjecting.

Dr NAPHTHINE — She has been dumped by the Labor Party to an unwinnable no. 3 position on the ticket behind two union hacks from Melbourne who have been chosen to represent country Victoria. That is how fantastic the Attorney-General thinks she is!

On 6 June she was down in Warrnambool announcing that state-of-the-art solar technology would be installed at Brauer College. What she did not understand is that it was to be installed on buildings which were promised under the Snowy Hydro sale but which now will not be built. They have the solar technology, but they do not have the buildings to put it on! This is a classic case of the government counting its chickens before they have hatched and spending money before it has been received. It shows the folly of using windfall gains for projects that should be funded out of routine government expenditure. When it has a \$35 billion budget any government worth its salt — any government that is a good economic manager — should be able to maintain its schools, its hospitals and its transport system out of that funding and should not have to rely on windfall gains that occur once in a hundred years. It is an absolute disgrace that the government was thinking of doing that.

We now have a situation where schools are being left in the lurch. The Premier advised the house that those schools would be funded from the dividends from Snowy Hydro. He claimed there would be \$143 million worth of dividends, as outlined in the prospectus — this mysterious prospectus which he told all Victorians to go and look at and told Parliament he would produce, which we still have not seen and which the Treasurer now says has been pulped. There are people who think the government was trying to hide the prospectus!

The last annual report of Snowy Hydro says that in 2004–05 there was only \$110 million worth of dividends. On top of that, and the member for Carrum

mentioned this, there are real needs for capital expenditure at Snowy Hydro. A report in the *Age* of 7 June says:

A credit analysis with Moody's Investors Service, Clement Chong, says the company has three choices to fund its expansion plans. 'They could either cut dividends, borrow more or get money from shareholders'.

The last option is highly improbable in the current environment, leaving only dividend cuts and increased borrowing as real options.

Guess what? The Victorian Treasurer would not comment on the possibility of dividend cuts. Then on 15 June an article in the *Age* reported on the chief executive of Snowy Hydro, Terry Charlton:

Chief executive Terry Charlton is preparing to ask its government owners for a 'moratorium or significant reduction in the dividends they take from us'.

We have a situation where Snowy Hydro says there will not be a significant enough dividend stream to fund schools in Victoria. Schools are being left in the lurch under this government with the collapsed sale of Snowy Hydro, and they should not be in that position. If we had a decent government that managed the finances of this state properly, that work would be funded out of its \$35 billion budget.

The member for Carrum asked, 'When has this been raised before in this house?'. I can tell her. On 9 February this year I said in the house — and she can look at *Hansard* — that Snow Hydro should not be sold. I said there should be guarantees, if the government were proceeding with the sale, about the security of water flows for irrigators and environmental flows and that the once-in-a-lifetime money from any sale should go to water infrastructure. And that is where it should go, because irrigation agriculture is vital for the people of Victoria, vital for the Australian economy and vital for feeding the world. We should not underestimate the importance of irrigation agriculture. Therefore we need to make sure that Snowy Hydro provides water flows that meet the needs of irrigation agriculture. That needs to be a priority for the management of Snowy Hydro into the future, as should the provision of environmental flows for our rivers.

Let me say in the 35 seconds I have left that it is incumbent on all governments, particularly the Victorian state government, to significantly invest in water-saving infrastructure. Delivery systems in our irrigation areas are losing enormous amounts of water through seepage, evaporation and inefficiency. If we do not as a community invest in water saving, we will continue to have water problems in the time to come. Governments must make that investment in water

saving infrastructure, because it is an investment in our future as a state and a country.

Mr HARDMAN (Seymour) — It is a pleasure to speak on the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. I give my full support to this bill, whose purpose is to prevent the sale of shares in Snowy Hydro Ltd held by the state of Victoria without the approval of both houses of Parliament. The bill responds to community concerns about the privatisation of assets in a more general way and about the best way to ensure that environmental flows to the Snowy and Murray rivers and irrigator entitlements receive maximum protection in the event of any future proposals for the sale of Snowy Hydro. That is why I will be rejecting the amendments circulated by The Nationals. They are not well thought out and are just about political populism.

The member for Swan Hill hopes his amendments will not get up, because he knows they will endanger the entitlements of irrigators, especially along the Snowy and Murray river systems. They are very silly amendments. They show ignorance, are populist and are typical of The Nationals and the Liberals, who, when they get into government, never do anything to protect ordinary workers and ordinary Victorians. All they are about is being there. We know this and we should expose it more than we have. They do not really care about people. They care about rich people, obviously, and they care about the large corporations out there. They are the facts. That is what you are there for: you dance to the tune! You go out there now — —

The ACTING SPEAKER (Mr Languiller) — Order! The member will speak through the Chair.

Mr HARDMAN — You go out there and you say to the people, 'We care. There is a problem over here, and there is a problem over there. We need to fix this school, and we need to fix that hospital', but when you get in you do nothing. Instead you close schools, you sell water, you sell electricity, you sell gas and you sell public transport.

The ACTING SPEAKER (Mr Languiller) — Order! The member, through the Chair.

Mr HARDMAN — You prefer the water companies to be privatised — —

The ACTING SPEAKER (Mr Languiller) — Order! The member, through the Chair.

Mr HARDMAN — And then you come into this house and you have the gall to expect us to believe you.

It is appalling, and it is a shocking indictment of your parties. You need to start changing your attitude!.

As I said, this bill responds to community concerns about the privatisation of assets. The fact is that the Victorian government was a reluctant partner in the agreement to participate in a float after the commonwealth and New South Wales governments had indicated they would be selling. It would have been totally irresponsible of the Victorian government not to have gone ahead with its part in any privatisation. The Victorian government's power to protect the rights of irrigators and the environment would have been reduced, not strengthened, if we had chosen to keep our share in public hands. We secured extra protections for our water rights from the Snowy scheme as part of the sale process.

Honourable members interjecting.

Mr HARDMAN — You ignore all that, but what we did was secure extra protections for our irrigators and for our water users. But no, you guys come in here and every time just concentrate on your own narrow focus, all the time hoping that you might get a chance to sell it off one day so that you we can assist your rich mates in whatever projects they want.

With regard to the Liberals and Nationals, Victorians know they cannot be trusted on privatisation. They sold the power and energy industries and the public transport system, they started privatising our public hospitals, and they prepared our water authorities for sale. The coalition federally has been determined to flog Telstra off, despite the community's opposition to that as well. Telecommunications are of vital importance to rural and regional Victoria, but still the Liberals and Nationals in Victoria remain silent or support the sale. The only reason for The Nationals' amendment today is political, as I said before; they are hypocritical on this and on many other issues that are important to families in Victoria.

Our commitment to the Snowy River is strong, as has been demonstrated by our work to return over 38 billion litres of water to the Snowy River. This would not have happened had The Nationals held on to Gippsland East in 1999. It took the election of an Independent, who worked with the Bracks Labor government to force the issue and make the case for environmental flows for the Snowy River. All power and congratulations to the great work of the Bracks government and the Independent member for Gippsland East in bringing this about.

With regard to water infrastructure, our government's record stands proud. I do not think it could be said that during its seven long, dark years the Kennett government did for water infrastructure in Victoria what we have done during our six and a half bright, colourful and positive years. We have returned 10 billion litres of water to the Thomson River, which has been made possible by water savings in Melbourne. So Melbourne people have been working very hard to ensure that out there in country Victoria our rivers and our environmental flows are protected and our irrigators have good quality water.

In the Seymour electorate we have also spent a considerable amount of money improving our water infrastructure. Over \$20 million has been invested in the Wallan pipeline, which takes water from Yarra Valley Water up into Wallan. It was previously on the Sunday Creek Reservoir system, but that meant that water system was too small. It was on what were called stage 10 water restrictions at that time, so the towns of Kilmore, Wallan, Wandong and Broadford were almost without water to the point where we were trucking water in from Seymour or Tallarook to supplement the supply. That \$20 million is a big investment, and it has meant that the people of Wallan have a fantastic water supply from Yarra Valley Water. The people of Kilmore, Wandong and Broadford also now have a more secure supply, because the Sunday Creek Reservoir is not as stressed as it was beforehand. I would hope that, as we get better rainfall years, the Sunday Creek will, as a result of that investment, also receive better environmental flows as well, which is another fantastic thing that has not been properly explored yet.

We are investing \$585 million in an action plan to further improve the health of the Yarra River. It is an important issue in my electorate for the towns of Healesville and Yarra Glen, where the Yarra is a most important part of tourism, horticulture and the general ambience and is why people live in that area, which I think is fantastic. Twenty billion litres has been returned to the Yarra River by the Bracks government, yet we continually hear carping and whingeing from the Liberals, especially, about this particular river. The Liberals did nothing about the Yarra when they were in government. They ignored and neglected it as they did everything else, but they come in here and try to find fault over issues that we know are there and are trying to do something about.

We, along with Goulburn-Murray Water irrigators, have invested \$52 million to upgrade the Eildon Dam wall. Again that is providing protection for irrigators water entitlements and also for the towns

downstream — and in the Seymour electorate that means towns such as Alexandra, Yea and Seymour, which the river runs through. It is protecting the water supplies of those towns, and it is protecting them from any adverse event. It is also increasing the water holding capacity of the dam from around the 65 per cent maximum that had to be adhered to in the event of a 1-in-10 000 year flood to 100 per cent. That means that when we get decent rains in the future — and it is going to happen — irrigators further south will not have the same drought restrictions they have had in previous years. I think that is a great investment, and it is one that shows our commitment to rural and regional areas and to all Victorians, be they irrigators or general town-water-supply consumers.

For the opposition to come in here and talk about how we should be investing money when it did nothing when it was in government is the most hypocritical act I have ever seen. It is up to the Victorian government to promote what we are doing. This arrogant opposition still does not understand why it was voted out last time.

It is up to us to make sure we sell that very important message. The Wimmera–Mallee pipeline is a great project. The Bracks government has been committed to it from the very beginning. We have allocated \$167 million to assist the \$500 million project to get started, and that is important. People cannot accuse us of doing anything political with that, because there are no government seats in that area and probably no hope of there ever being government seats in that area. We have said this is a serious issue. We respect water, we respect the people who use the water, we respect the communities that rely on that water, and we care.

Ms ASHER (Brighton) — I propose to take a serious and calm approach to the debate on the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. The bill, as we all know, looks at any possible future sale of Victoria's share in the Snowy Hydro scheme. The bill requires parliamentary approval of both houses for such a sale, and the bill also sets out a lengthy list of documentation which must be available for the scrutiny of members of Parliament should such a sale be proposed in the future.

The bill is an extraordinary about-face by the government, which initially wanted to sell its share of Snowy Hydro. The fact of the matter, as we all know, is that this was generated by the New South Wales Labor government. It has some significant budgetary problems, and clearly it saw the sale of Snowy Hydro as a solution to those problems. This Labor government here in Victoria saw the sale as an opportunity to augment its coffers as well.

I wish to refer to the way in which the government announced its desire to sell this particular project. I refer to a press release from the office of the Premier on 13 February. The headline of this press release — which to my mind does not show any reluctance to sell — is 'Benefits flow to schools, irrigators and environment under Snowy Hydro agreement'. The first paragraph of that press release is worthy of note. It states:

Victorian schools will receive a record funding boost, the state's water rights will be strengthened, and Snowy River flows guaranteed under an agreement reached by the Bracks government with New South Wales to sell Snowy Hydro Ltd.

You can see the excitement associated with this announcement. The press release goes on to say — and I am quoting the Premier:

This is a responsible decision to best protect the state's environmental, agricultural and commercial interests as well as delivering a better future for our schools.

That does not sound to me like it was 'reluctant', which was the other word; on 13 February the Premier said this was a 'responsible decision'. The press release goes on to say:

Mr Bracks announced the remaining sale proceeds would be invested in a once-in-a-generation school building fund — Building Tomorrow's Schools Today — to accelerate and transform our schools' infrastructure.

The press release concludes by saying:

Victoria's shares in Snowy Hydro will be reinvested in a once-in-a-generation school building program to the benefit of all Victorians without impacting on water rates or the environment.

It is important to place on the record the government's enthusiasm for the sale and the way in which the government wished to allocate the funding as a result of that sale as at 13 February 2006. I also note with interest from the second-reading speech that the government took the extraordinary step of naming an Independent member of Parliament, the member for Gippsland East. I also wish to make reference to the second-reading speech specifically, because I find it quite amusing. It says:

There has been community concern over the sale of Snowy Hydro. The Independent member for Gippsland East, Craig Ingram, has consistently advocated that environmental flows for the Snowy River and irrigator entitlements are protected.

This bill achieves that.

I will be observing with interest to see whether the bill does achieve those objectives as stated by the Independent member for Gippsland East. I am not so sure that it will. What we see here is spin out of control.

There is out-of-control spin in the press release dated 13 February, and there is out-of-control spin in the rationale given for the government's backflip and the reasons for the bill before the house today. The fact is that from February to July 2006 we have seen a complete change in the government's spin simply because the Prime Minister has foisted it on this government.

I also want to make reference to the \$600 million that the government was originally going to apply to schools funding. When questioned post the Prime Minister's announcement that the sale was aborted the government had four different explanations for the hole in its budget. The first one — this is the Premier's unprepared response — amounted to his saying, 'We have not got the money', as he got a bit of a shock while getting out of a car to do a school announcement. The second explanation was, 'We will make adjustments'. The third explanation was, 'It wasn't in the budget at all', even though the second-reading speech says it is in the budget, together with the backup plan, 'There is only \$150 million in the budget and the government will allocate the rest prior to the election'. The fourth explanation was, 'We will still do the schools, but it is going to take a little while longer'. I would be delighted to get further clarification from the government as to which one of those four explanations involving the \$600 million actually applies today.

I now wish to refer to the press release of Friday, 2 June, which is, again, from the office of the Premier. The headline reads 'Victoria withdraws from Snowy sale'. We see from this that the Premier said:

Victoria was a reluctant party in this sale ...

We agreed to participate after New South Wales and the commonwealth governments decided to sell.

It is interesting to note that on 13 February the Premier said that it was a 'responsible' decision, but the government was 'reluctant' when it came to 2 June. I note the Treasurer's view in all of this. On 13 February the Treasurer said about the sale:

It is clear that the best way to protect the state's environmental, agricultural and commercial interests is for Victoria to participate in the sale.

On the one hand the Premier said in June that Victoria was a reluctant party, but on the other hand the Treasurer said in February that the best way to protect the state's environmental, agricultural and commercial interests was for Victoria to participate in this sale. It is clearly nonsense. The government is particularly good at spin. This decision, the backflip and the bill before the house are all simply spin, hot air and nonsense.

I also wish to make a brief comment on the documents required to be tabled before the house under clause 4 of the bill should there be a future sale. I refer to the fact that the Premier has made previous reference to the so-called prospectus for the Snowy Hydro float. During the Premier's appearance before the Public Accounts and Estimates Committee on 5 June he is reported as saying:

If you look at the prospectus of what they expected in the future —

and he went on to say what he thought the dividend would be, which was in this case about \$143 million. He went on to say that Victoria's share was \$40 million to \$50 million. I call on the Premier, as we have done previously, to release that prospectus. The Liberal Party has asked the Premier to come up with it. I note the Treasurer said the whole prospectus had been pulped. We are very keen, given that this is a bill debating documentation, for that prospectus to be brought before the house. The opposition does not oppose the bill, but it is a massive example of the government's hypocrisy and spin, and in this instance it is not very successful spin.

Mr PERERA (Cranbourne) — I rise to speak in support of the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. The bill will amend the Snowy Hydro Corporatisation Act to ensure that any future sale or disposal of Victoria's share in Snowy Hydro gains the approval of both houses of Parliament. What a fantastic bill! We are providing a safeguard and protecting that asset.

The legislation also ensures that any future sale or disposal will require the approval of the Victorian, New South Wales and commonwealth parliaments. The bill also provides that when a future sale is being considered, the minister must present to the Parliament certain documents concerning water flows, the New South Wales Snowy water licence, the Snowy water inquiry outcomes, the implementation deed and a number of other relevant documents. Obtaining future approval for the sale of Victorian shares will not be the easiest thing in the world.

Late last year the New South Wales government decided to sell its 58 per cent share, which was followed by the commonwealth government's decision to sell its 13 per cent share. Victoria had no choice. Victoria, by participating in the initial public offer process, was successful in getting New South Wales and Snowy Hydro Ltd to agree to extra protection for Victoria's water rights. If Victoria had not agreed to participate in the float, Victoria's power to protect the

rights of irrigators and the environment would have been reduced.

The federal Nationals and Liberals supported the sale. The Victorian opposition hypocritically stayed quiet and did not oppose the sale. This is the party that in government sold our energy and electricity. While the state Liberals and Nationals were dormant, the Bracks government secured extra protection for our water rights from the New South Wales Snowy scheme as part of the sale process. Victorians have not forgotten that the former Liberal-National government tried to sell off our water authorities. It shamelessly wanted to privatise our most precious and essential resource — water. The Bracks government opposed the privatisation of water authorities and has changed the constitution to secure that. We have retained all Victorian water authorities in public hands because that is the best way to protect water users and the environment.

Snowy Hydro Ltd is not a water authority. It is a hydro-electric power company. It does not have the same powers and responsibilities as a water authority. Snowy Hydro Ltd is based in New South Wales and operates under a New South Wales licence.

Mr Ingram — There is a touch of *deja vu* about this. I heard the same speech just before.

Mr PERERA — That is the truth. We all share the same view.

It is jointly owned by the commonwealth, New South Wales and Victoria. The New South Wales Parliament voted to ban its state government from selling its majority stake in Snowy Hydro Ltd except to the federal government without parliamentary approval. What that means is that at any time the New South Wales government can sell its 58 per cent shareholding to the commonwealth government without parliamentary approval. This would increase the commonwealth shareholding to 71 per cent. The commonwealth government does not require parliamentary approval to sell the additional 58 per cent it could buy from New South Wales. As long as Snowy Hydro Ltd shares are owned by the three governments, all governments have equal voting rights as shareholders irrespective of the size of the shareholding. Whether we hold 13 per cent, 28 per cent or 58 per cent, we have equal rights. Those dynamics would change if the New South Wales government without parliamentary approval were to sell its share to the commonwealth government and the commonwealth government sold the shares to a private party.

The commonwealth is notorious for selling our assets. It is trying to sell Telstra and other assets. It is possible the dynamics could change and a private party could still buy shares from the commonwealth. If the shares were sold, as mentioned before, the whole dynamics would change and the shareholdings would not be equal. Therefore it is not appropriate to alter the Victorian constitution to prevent a future sale of Snowy Hydro Ltd. It is not in Victoria; it is not a water authority; and it is not just ours.

If ownership of Snowy Hydro Ltd shares were to change in the future, this bill would provide Parliament with the ability to properly scrutinise the implications of such a proposed change in ownership or disposal of shares in Victoria's water rights and interests. I commend the bill to the house.

Mr DIXON (Nepean) — I am not going to oppose this bill; in fact I support it. This bill means that the sham and uncertainty that Victorian schools have had to go through over the last few months will not continue. It has been an appalling story for schools right from the very start. The minister, the Premier and the Treasurer all said the Snowy money was going to be a once-in-a-generation opportunity to upgrade Victoria's schools and maintain them. Now that the money is not there, is that once-in-a-generation opportunity there? No, it is not. It has disappeared. It was built up and up. The government very cleverly thought it would spend the money on schools because then nobody would complain about the sale of the Snowy Hydro and there would be an upgrade of our schools at the same time. But that of course is not going to happen.

Not only did the government talk about major upgrades of our schools, it also talked about spending \$50 million on maintenance of our schools. This was going to be a once-in-a-generation opportunity and something that would have left a legacy. It should not have been used for catch-up maintenance. Maintenance is the ordinary, everyday job of government, and this government has failed miserably in maintaining our schools.

In 1992 when the Kennett government took power it inherited a maintenance backlog of \$670 million. In 1999 when it left power, that backlog had been reduced to \$130 million according to the Auditor-General. Those are not our figures. The Auditor-General said we had reduced the school maintenance backlog by \$540 million. According to the government's own figures, the current maintenance backlog has doubled in the last seven years to \$250 million. That amount is based on a shoddy auditing process that the schools have just gone through. Even if you take that figure of \$250 million at face value, it is double what this

government inherited, according to the Auditor-General, in 1999. So to have squandered this money on maintenance would have been shocking and should not have been allowed because maintenance is something the government should have been doing all along.

There has been incredible confusion over where the money stands and where schools stand, depending on where they are in the firing line and when they were going to receive the money. We have had a range of statements asserting that of the \$600 million, \$150 million was already committed in this year's budget, so that left \$450 million. Schools were going to be told that they were lined up for that \$450 million. They were expecting announcements, and they were told they would be informed about which schools would be receiving their share of that \$450 million this year. Because the government was expecting the sale to go through, it was expecting to receive that money very soon and to start on its projects within the next 12 months. When the money fell through, the Premier came out and said that instead of receiving that money in four to five years, schools would receive it over five to six years. There was almost no difference, he said, it would only be a year late. In fact under that scenario, for some schools there would be no difference.

What I want to know — and this has added to the confusion — is why none of that \$450 million was going to be spent until at least four years out? Every single school in Victoria was under the impression that the money they were lining up for, the grant money that was going to be announced before the election, was going to be given to them next year. It turns out, and the Premier actually says — —

An honourable member interjected.

Mr DIXON — I will take up the interjection about being late for work today. The reason I was late was that I opened an adult community education conference that the minister would not go along to. She refused to go, and the organising committee rang me and asked if I would go. I said that of course I would go and do that. Our very good Opposition Whip said he thought it was an important thing to do. That is a sector of the education community that we should be supporting, and I was there. I waved to the minister in her car when she drove past as I walked back to Parliament. I will come back to the bill.

The confusion over that \$450 million is incredible. It has totally confused schools, and we have had numerous conflicting statements from the minister, the Treasurer and the Premier, even regarding some of the

\$100 million which was allocated in this year's budget and which is going to be magically found in the budget this year. This whole process that schools have had to go through has been terribly confusing and upsetting for them. I am glad that this bill has been introduced so that they do not have to go through that sort of scenario ever again.

Mr INGRAM (Gippsland East) — It is amazing what sometimes occurs in the Parliament. This bill is to a certain extent a copy of a private member's bill that I attempted to introduce into Parliament a number of weeks ago. At that time I did not really have a lot of support for the bill, and it is amazing to see some of the reversals that have occurred in this debate. There have been backflips — I do not know whether you can do a backflip-with-pike, but some interesting manoeuvres have been made. I would like to put on record some of those changes of position, changes which you would never have thought would be possible. It should be noted that even though we are passing this legislation, I do not think the community has enough faith in it to believe that some future government of a different persuasion will not go down this path again. It has been a very long road to get here.

Back in 1987 the then federal opposition leader, John Howard, made a speech to federal Parliament. That speech was quite interesting because it was on privatisation, and I will quote from it:

We support the privatisation of the Australian Industry Development Corporation, 49 per cent of the Overseas Telecommunications Commission (Australia), 100 per cent of Aussat, and the sale of —

Snowy Hydro. This was back in 1987 when Mr Howard was in opposition. He said the opposition supported it. The speech continues:

There is no ambiguity; there is no squeamishness; there is no going to water; there is no backflipping or double standards from the Liberal and National parties ...

He brought the Liberal and National parties in. Mr Howard went on to say:

We have nailed our colours to the mast and we are saying —

that we support the privatisation of Snowy Hydro. This was back in 1987. It was quite interesting to see that when the sale of the Snowy Hydro was proposed there was not a lot of opposition anywhere. In federal Parliament basically all of the major parties said, 'We are going to support the sale'. The New South Wales government was locked into it and the Victorian government sort of followed suit. Everyone was saying,

'We are going to sell the Snowy'. Why was there a backflip? Why was there a change?

There are people here saying good on John Howard for doing this. Let us get this very clear: the main reason the sale was stopped was a thing called the free trade deal with the United States. The federal government, with the support of both state governments, was trying to bring in shareholding caps and foreign ownership limits on the sale. Basically what we had was legislation that was going to be introduced into federal Parliament to limit foreign ownership of Snowy Hydro shares, yet that is in breach of the free trade deal with the USA. Could you imagine what this would have done if a foreign company had said, 'Hang on a second; we do not want to just have a 13 per cent' — or whatever — 'share of Snowy Hydro; we want 50 or 60 per cent, and there is a free trade deal with the US which stops you restricting share ownership'. That would have undone an enormous amount of the community's confidence in the free trade agreement — that is a fact. Whilst the Prime Minister is saying, 'This is okay because I have listened to the public', I do not think he would have listened to the public if that legislation had not proved to be illegal.

My major concern right through this issue was that there was no guarantee that the environmental flows or the irrigation entitlements would have been protected, and that is why I strongly railed against the sale. On principle I am opposed to the privatisation of essential pieces of public infrastructure, and Snowy Hydro is one of those. It has been described as iconic. Snowy Hydro has been promoted as one of the great environmental green generators. It is not. Snowy Hydro has destroyed a number of rivers within its catchment. It has been too efficient. It has taken basically all the water out of not only some of the major rivers but also a large number of the streams.

The governments have made the point that everything is protected under the water licences. That is not the case. If you look at the water licences that have been agreed to, you can see that they are vague and inconsistent. The Victorian and New South Wales governments have failed to make sure that Snowy Hydro complies with its licence agreements. This is a major concern. In the middle of the privatisation debate Snowy Hydro turned off the environmental flow that the two premiers announced with such fanfare back in 2002.

I will go through some of what I believe our major breaches of the Snowy Hydro water licence. If they are not breaches of the water licence, it is so loose that you could run a truck through it! Under its Snowy Hydro

Corporatisation Act 1997 the New South Wales government was required to establish a scientific committee — this has not been done, although it was supposed to have been done in 1997. The dam works at Jindabyne were not completed by the due date, and there is no penalty in the water licence for that. Snowy Hydro is still in breach of the water licence because it has turned off the Mowamba aqueduct before the completion of the Jindabyne dam works, which is required under clause 6.3 of the water licence.

Snowy Hydro has failed to comply with its obligations to deliver flows to Mowamba in addition to the base-passing flow, as is required by the water licence. Snowy Hydro is not delivering environmental flows consistent with the environmental objectives, as required by clause 5.1 of the Snowy water licence. Over the past two months Snowy Hydro has not delivered environmental flows consistent with the default monthly releases which are required under the water licence. These are breaches by Snowy Hydro, and the Victorian and New South Wales governments have failed to make the company comply. Those governments need to make Snowy Hydro comply, because the integrity of the environmental flows and the credibility, if you like, of the comments by the governments on environmental flows to the Snowy River depend on making sure that we get the best environmental outcome for that water.

Members of The Nationals have made an interesting comment, saying 'We are the only party that has stood firm on this'. I quote from a member of The Nationals. Peter McGauran, the member for Gippsland in the federal parliament, said:

I well understand the concerns that people have about the privatisation of Snowy Hydro. But once the New South Wales government's decision to sell its 48 per cent stake was made, it was inevitable and unavoidable that the commonwealth would also have to sell its 13 per cent stake.

It is a similar line to that taken by Victoria — I have heard that line somewhere before. Yet three days later the Prime Minister said, 'Oh, sorry, that's not actually true. We do not want to go ahead'. So in Parliament Peter McGauran was defending the federal government, saying, 'This is what we have to do'. He said also:

The water security issues loom large, rightly. We are confident that security is there for irrigators, regardless of ownership.

He went on to say that the security of environmental flows was there. Yet, in a press release of the Prime Minister a couple of days later, the opposite was said — that is, 'The major reason why we're pulling out of the Snowy sale is because we couldn't guarantee irrigator

entitlements or environmental flows'. Maybe Victorian members of The Nationals should have told Peter McGauran, 'This is not a good deal'. The real concern out there was that very few of the people who could have stood up and stopped it did so. The federal opposition was absolutely useless and its members were probably the biggest losers in the whole debate.

I will support the amendments foreshadowed by The Nationals.

Honourable members interjecting.

Mr INGRAM — Credit where credit is due. I would like to thank The Nationals for copying my private member's bill.

Honourable members interjecting.

Mr INGRAM — Of course I will support the amendments, because they pick up what was in my private member's bill. I would like to thank them for acknowledging that Independents can deliver and that at times the ideas of Independents are worth considering. On this, The Nationals and I are like this — we are like peas in a pod on this one, no problem at all. I will support The Nationals amendments and I thank them for acknowledging what a great job I had done with my private member's bill. I do not know whether the house will get to the consideration-in-detail stage but if we do, so be it.

The issue is why I support those amendments. Basically it is because they will put 'Snowy Hydro Company' into the definitions in the constitution. I understand that there are some challenges with that, because Snowy Hydro operates in New South Wales under a water licence for which the New South Wales minister is responsible. The issue really is that if it is included it would add a greater level of protection. It would be much harder for any future government of Victoria — because it would need a special majority — to sell the scheme. Also, members of the community spoke very clearly. They were unanimous on this. The problem is that they were not supported by any of the political parties at the state or federal level when they needed to be.

Dr SYKES (Benalla) — It gives me pleasure to rise and speak on behalf of The Nationals on the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. I wish to indicate my strong support for the amendments foreshadowed by the member for Swan Hill and my gratitude to the member for Gippsland East for indicating that he will support those amendments.

I would like to focus on a couple of aspects of the bill in which I have some particular experience. First, clause 4 requires the tabling before the house of relevant documents and then indicates some of documents that will be required to be tabled. They include agreements dealing with water flows and various other documents. That is a particularly important clause because in recent times in relation to the proposal to decommission Lake Mokoan we have seen situations where unfortunately documents have not been tabled before Parliament. On a number of occasions in this house the Minister for Water has quoted from a number of the documents that he has received from the federal government which, according to the minister, indicate support for the decommissioning of Lake Mokoan.

What the minister conveniently failed to reveal to this Parliament was that that support had some conditions on it and those conditions were included in writing in the letter. The condition that the federal government imposed for its support for the decommissioning of Lake Mokoan was that Australian government funding would be conditional on the Victorian government maintaining the current security of supply of water to irrigators and not imposing a level of charges above what would otherwise apply. That commitment was given to the irrigators in writing by the Minister for Water. What we have seen is that that has been walked away from, in that on that occasion the Minister for Water not only misled the Parliament and the public but did so deliberately just so he could walk away from the commitment he gave. Just recently the minister indicated that he believes the level of security of supply of water to irrigators is only 91 per cent. He has walked away from another commitment to have an independent assessment made of the level of security of supply.

Equally, the minister has walked away from the commitment to not impose a level of charges above that which would otherwise apply. Now he is flagging that there will be an increase in the charges. Irrigators who are able to calculate the likely impact of that see the potential for water charges in the area to go from \$8 a megalitre to as much as \$30, \$40 or \$80 a megalitre, which will put a heck of a lot of financial pressure on the irrigators in the Broken system — to the point where many forms of irrigation will simply be unviable.

If we look at the second-reading speech, where the minister made claims about water savings having been achieved for the environment, and draw on the Lake Mokoan experience, it can be seen that the original claims in this Parliament and in writing by the minister were that there would be savings of 50 000 megalitres. Those claimed savings have been progressively whittled back, first to about 44 000 megalitres, and now

I believe it is more likely that the savings will get down to below 30 000 megalitres. One of the reasons for that is the poor project management and the poor basis upon which the original decision to decommission Lake Mokoan was made, in that it has been revealed that the surface area of the residual wetlands will be at least 25 per cent greater than was originally calculated. Given that evaporation is a function of surface area, then the evaporation from the residual wetlands will mean that the water savings will be less than was originally calculated.

Equally and interestingly a number of the water savings that are claimed to be a consequence of the decommissioning of Lake Mokoan can be achieved independently of the decommissioning. For example, there is the Tungamah pipeline, which again the minister mentioned in the second-reading speech and which is proceeding extremely well. That will make significant water savings — I think of the order of 4000 or 5000 megalitres — and that can be done independently of the decommissioning of Lake Mokoan. Equally proposals for total channel management control — again mentioned in the second-reading speech — can again be done independently of the decommissioning.

It is absolutely critical that, firstly, we have openness and accountability — hence the importance of clause 4 in this bill — and secondly, that any number crunching that is done is based on sound information. Regrettably in the case of Lake Mokoan, that has not been so. We can compare that with a similar water-saving project that has been undertaken by the New South Wales government at Barren Box Swamp up near Griffith.

There, as a result of the involvement of the community in the process — not a Clayton's consultation but a genuine involvement of the land-holders and water authorities in the Griffith area — the government put \$30 million on the table, giving it to the local people to deliver a project which involved the Barren Box Swamp being partitioned in two. There was a small area for retaining water, and a larger area went back to wetlands. That project, on my understanding, is all but completed, and the 20 000 megalitres of water savings will still exist. That is deadset guaranteed, because the New South Wales government is actually retaining it in one of the dams up in the Snowy Mountains.

That is a guaranteed delivery of a result with community involvement and at a very affordable cost. By comparison there is serious doubt about whether the water savings that the government claims it is making in Victoria in relation to the Snowy project and the decommissioning of Lake Mokoan are actually being

captured or whether they are being lost downstream, where they will be subject to evaporation and other losses. So again, we need integrity.

The other point relates to the general project management and the need for cost efficiency. We have recently had the example of a substantial blow-out in the projected costs of rehabilitating the wetlands in Benalla. It has gone from a projected cost of \$1 million to somewhere in excess of \$20 million. That is a concern with regard to the justification for the decommissioning of Lake Mokoan, because in the government's own inquiry into the environmental impacts of the decommissioning — again in the second-reading speech we see lots of references to the environment — the comment was made that net environmental gains would be difficult to achieve.

That is so for two reasons. First of all, there are the major problems with weed invasions, in particular phalaris and Paterson's curse. But also — and keep in mind that these projects are often being motivated by the desire for a net environmental gain, in this case to look after the Snowy River — I think it is an exercise in robbing Peter to pay Paul, or robbing the north-east to pay off the member for Gippsland East. There are 17 endangered species that already call Lake Mokoan home. Interestingly there is one called the Latham snipe — so Latham sniping is going to cause pain for the Labor Party for some time to come! With 17 endangered species, effectively those world-class wetlands are being put under threat because of an ideological commitment to deliver water elsewhere without the preparedness to do the hard work and do the sums.

In addition to that, we are going to have a major cost blow-out. Not only are the taxpayers of Victoria going to suffer from the government's budgeting for \$600 million from the sale of Snowy Hydro to make the Victorian books balance, but we are going to see taxpayers wearing another financial blow-out in the decommissioning of Lake Mokoan. We are going to see the original project cost of the order of \$60 million blow out, due to the incompetence of the Bracks government, to at least \$100 million. That will then bring into doubt whether in terms of cost effectiveness this option for the decommissioning of Lake Mokoan is justified over and above the other options for water savings that have been put up by local people.

In particular, coming back to the importance of tabling documents in the Parliament, I refer to the minister's commitment to delivering security of water supply to irrigators in the system in the event of Lake Mokoan being decommissioned. The irrigators are prepared to

work with the government to achieve that, and they recommend that consideration be given to what we call a midstream storage, but again the minister has failed to consider that. So if we are going to have projects that involve water savings, let us make sure that they are done properly. With those few remarks, I indicate that I support the amendments proposed by the member for Swan Hill.

Mr JENKINS (Morwell) — It gives me a great deal of pleasure to rise in support of the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. This bill gives the sort of protection to the Snowy hydro-electric scheme that the people of Victoria and the people of Australia wanted. It delivers on the guarantee this government has always given that whilst we did not agree with the proposal put forward by the New South Wales government and the federal coalition government to sell off Snowy Hydro, we will make sure that in the future decisions made about the sale of the assets and the shares in the hydro-electric scheme that are vested in this government come to this Parliament for review.

This bill ensures that the portion of Victorian shares in Snowy Hydro cannot and will not be sold unless both houses of this Parliament agree to it. It gives the guarantee that the people of Victoria expected. It has always been the consistent view of this Bracks government that the Snowy hydro-electric scheme is necessary and should be maintained in public hands and that it should be so in future. We were put in a particular position after the federal National-Liberal coalition government decided to agree and work with the New South Wales government to sell off almost three-quarters — it was more than two-thirds — of Snowy Hydro Ltd. The state Nationals for some reason seem to be a different party from the federal Nationals, or they would like us to believe they are a different party. But these same people, the Victorian Nationals, agreed with and supported the sale. They were working hard with their Victorian Nationals senator — do they have one anymore? — to promote the sale in association with the New South Wales government and the federal coalition.

When they had an opportunity to influence the sale members of The Nationals in Victoria and their Victorian Nationals senator agreed with the sale; he was going to vote for the sale of Snowy Hydro. When this government clearly indicated to both the New South Wales and federal governments that it believed the best position was for all of the governments to maintain their ownership, they disagreed and walked away. The Nationals had an opportunity, but they again failed the people of Victoria. The Victorian Nationals

failed the people of Victoria. Members of The Nationals have a history of failing the people of regional Victoria. Members of the Liberal Party do not claim to represent the country, although the member for South-West Coast would like to make claims on part of the country. They do not make all the claims that members of The Nationals make.

Members of The Nationals have circulated proposed amendments which they say will strengthen the bill. This bill protects the future of Victorian assets in the Snowy Mountains. Any changes must come to and be approved by both houses of this Parliament after a whole range of documentary evidence relating to the agreements between the states and the commonwealth has been produced. There must be full disclosure. I do not believe that any future government — Victorian, New South Wales or federal — will be in a position to sell Snowy Hydro. Any decision should come back here. However, let us be careful. If it came back to a government like the Kennett Liberal-National coalition government — and we remember the long, dark years of the Kennett government — who knows what both houses of the Victorian Parliament might do? If that sort of government had power, maybe it would continue with the changes.

We have to look at the record of members of The Nationals when they were in government. They were not interested in saving assets owned and in trust for the Victorian public. They were more interested in white cars. They were the white shoe brigade in their white cars, which were much more important than the people of Victoria. The Nationals sold the rest of the State Electricity Commission and the rest of our electricity companies. Now they are born-again representatives. They are like reformed smokers, but they have not given up smoking. That is their problem. They go out the back and have a quick puff and then they like to come in here and tell people they have given up. They want to sell everything.

They sold the rest of the electricity industry, but somehow the electricity industry up in the Snowy Mountains is now sacrosanct. They sold every bit of electricity infrastructure in the state of Victoria including generation, transmission and distribution. They sold every bit of it, and now they say the electricity industry up in the Snowy Mountains — which is not even in Victoria — is sacrosanct. They could not protect the electricity system in Victoria, but they will somehow protect the electricity industry in New South Wales. They are amazing! They cannot support rural Victoria, but they can fix up rural New South Wales. They take no responsibility. The

Nationals are the Bart Simpsons of the political process. They say, 'I didn't do it. It wasn't me!'

Members of The Nationals say they are going to save not only Victoria but also New South Wales. Canberra is a bit closer to the Snowy Mountains, and The Nationals have representatives in Canberra, yet they did nothing. Members of The Nationals allowed their representatives in Canberra to support the privatisation which would have forced Victoria into a position whereby we would have been a very small minority shareholder in the private company set up by The Nationals and the Liberal Party in the federal government. Where were they then? They were probably trying to solve problems elsewhere; anywhere but in regional Victoria.

They sold the Victorian forests to overseas interests. I suppose that was not their fault either. They said, 'I didn't do it. I am in the white car, and I didn't do it'. They sold the Gas and Fuel Corporation, and now all of a sudden they say Snowy Hydro is sacrosanct. They say, 'We are not going to sell a New South Wales asset'. They are a fantastic mob. They sold hospitals — —

The ACTING SPEAKER (Mr Plowman) — Order! The member should come back to the bill.

Mr JENKINS — This is a fantastic bill that is about protecting Victorian assets, and it is a Victorian responsibility. Fortunately for the people of Victoria this government accepts that responsibility. This government has always accepted responsibility.

It argued from day one that the asset should be maintained by the Victorian government, the New South Wales government and the federal Liberal-National coalition government. When they were hell-bent on selling it, did we sit on our hands like The Nationals did when they were in government, riding around in their white cars? Did we sit in white cars and do nothing? We said that, if the Liberal Party and The Nationals at a federal level wanted to sell Snowy Hydro, we wanted some guarantees on water flows for the environment and for the irrigators.

Members of the Liberal Party and The Nationals talk about protecting the irrigators, but we sought those guarantees for the irrigators and for rural communities. That is what we did. The white cars were not enough. We worked hard for those rural communities, and we got the guarantees. Let us remember that the federal government had to be forced into it, although it was not forced into it by Victorian representatives of the coalition parties in Canberra. The Liberal Party has announced only one policy in four years. It has finally

announced one policy, which it stole from the Independents — it is not even its own policy. It said, 'We are going to protect the Snowy'. It has one policy after four years. It is an absolute disgrace. The Liberal Party has been trying to con the people of Victoria that it was never part of the process, but its Victorian representatives were in it up to their necks.

This government has been working on the Snowy, and it is continuing to guarantee flows down the Snowy with its *Our Environment Our Future — Sustainability Action Statement 2006* that was released earlier this week. We have said that it is not just about Snowy Hydro electricity, it is about water and about irrigators. It is about making sure that people right across regional Victoria, from whom we have been given majority representation, are protected. We will not have to wait for the federal government or the New South Wales government to make a decision, we will put in place Victorian legislation.

I am glad you reminded me about the bill, Acting Speaker. We will make sure that, if ever some government decides to bring this back for discussion in this Parliament, then all the intergovernmental agreements will also come back to this Parliament so its members can stand up and act responsibly. I can guarantee that we will act responsibly and we will continue to work on behalf of the Victorian people, unlike The Nationals in particular but also the Liberal Party, who when they were in government sold the lot. In 1997 — and you would understand this, Acting Speaker — they were in the throes of selling the water industry, which is our most precious resource. When in government that is what they were going to do. They were trying to sell it, but now we are going to enshrine it in the constitution. We have made sure that — —

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

Mr KOTSIRAS (Bulleen) — I think the member for Morwell has forgotten that a Labor government sold our trams, buses and trains and then leased them back and refused to say anything to anyone. So it is a pity — —

The ACTING SPEAKER (Mr Plowman) — Order! I suggest to the member that he might at least start on the bill.

Mr KOTSIRAS — I am just warming up! It is a pity that the member for Morwell picks and chooses what he wants to say. It is a pleasure to rise and speak on the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. The Snowy Mountains hydro scheme began in 1949 and was 25 years in construction. It

remains one of the world's great engineering and social achievements. The migrants who came here from across the world after hardship and isolation managed to establish a multicultural society. Here we had people from many lands coming together and working together. Many of them were not able to speak English, yet they all got on well and we showed the rest of the world how it is possible to live in harmony and to work peacefully together. Many people came to Victoria after the war, and despite all the hatred in Europe they managed to work together to build this icon.

Many stories emerged from the migrants. I recently read an article which said that the dietary needs of the people who worked on the Snowy were very important, especially to the Italians. I was told they found the English-style cooking hard to swallow. They demanded spaghetti, but the Australian-born cooks were not able to provide them with it. Finally, an Italian contractor employed to build houses set up his own kitchen, and spaghetti was sent from Melbourne. I suppose that is also part of the mix that we see today in our multicultural society.

The Snowy Hydro is a national icon which is full of history, and it is a pity that this Labor government tried to sell it. It is interesting to see what the Labor Party said about the Snowy Hydro back in 1997. The Honourable Theo Theophanous, a member for Jika Jika in the other place and now the Minister for Energy Industries, is reported as saying:

The opposition supports the bill and I will put some brief comments on the record. In a real sense the Snowy Mountains hydro-electric scheme is an Australian icon. It is a symbol of the development of Australia and has an importance that transcends economics. It was a bold and visionary achievement and represented for the commonwealth what Victoria achieved through the former State Electricity Commission of Victoria. At the time it was a massive project by world standards.

The member for Geelong North, who is now the member for Lara, is reported as saying:

This bill is of considerable importance to Victoria at a number of levels and the opposition supports its passage. The status of the Snowy Hydro scheme is that of an icon ... The whole vision of the Snowy was bold and innovative. Coming after the war years it provided a sense of achievement that a young country like Australia could plan and achieve such an important engineering feat.

Why would a Labor government want to sell such a public asset? What does it say about this government and what it stands for? It shows that this government is greedy and is more interested in buying votes than looking after the interests of Victoria.

But when it decided to sell, what happened? The Honourable Theo Theophanous said that the sale had been forced on the government once the New South Wales and federal governments had decided to sell their shares. The Premier said he had no choice but to sell because Victoria would have been stranded with 29 per cent of a private company. On 3 June the Premier went on to say that the decision for Victoria to sell its share of the Snowy Hydro had been made reluctantly after the federal and New South Wales governments had said they would sell.

This argument does not stand up, unless the New South Wales and commonwealth governments could somehow float the company with two classes of shares that discriminated against Victoria. Instead of the Labor government saying, 'It is a good idea. We are going to sell it; we are going to get some money to do something', it blamed the federal and New South Wales governments for their decision to sell.

In 1997 the Honourable Theo Theophanous is reported as saying:

The opposition supports the legislation because it makes sense to establish that body. The three governments have agreed to its establishment. Notwithstanding Victoria's share is only 29 per cent compared with 58 per cent for New South Wales, Victoria gets equal voting rights with New South Wales and the commonwealth. I hope as a result of the legislation the serious issues surrounding conservation and water erosion which have come to light will be addressed by the new body.

The government, when in opposition, said back then that it was not possible for New South Wales and the commonwealth to go it alone, yet now it is blaming them because they decided to sell. And what happened after the decision to not sell? On 3 June the Premier was quoted in the *Australian* as saying:

Given the Prime Minister has said they are not selling, we certainly won't sell as well, and we will still guarantee that money to schools.

A large number of schools were promised infrastructure funding. Unfortunately it was not able to be delivered because the deal fell through. But again, instead of saying, 'We believe in what we are doing', this government always seems to be blaming someone else. It blames the commonwealth and New South Wales governments rather than saying, 'It was our decision; we took it; it fell through and we have to live with it'.

If the government were serious about this, why would it not support the amendments that have been put forward by The Nationals, which we support? If it is serious about not selling the Snowy Hydro, then it should support the amendments, which will basically amend

the Snowy Hydro Corporatisation Act 1997 to remove the provisions that allow the state of Victoria to dispose of or deal with its shares in the Snowy Hydro Company. What the government might be doing is looking at this and perhaps considering after the election, should it be successful, again speaking to the New South Wales and commonwealth governments in an attempt to sell off the Snowy Hydro. There is no other explanation.

If the government were serious, it would support The Nationals amendments which the Independents are supporting as well. It is a shame that the government has shown no signs of whether it will support the amendments. We on this side are not opposed to the legislation, but we would like to see the government take a further step. For those reasons I will be supporting the amendments that The Nationals have proposed.

Mr HUDSON (Bentleigh) — It is a great pleasure to speak in support of the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. It is particularly good, because this continues the great record of the Bracks government in protecting this great asset and protecting the Snowy River. If you go back and have a look at what has happened over the last decade you can see it is quite clear that this government is the only government that has been able to achieve that.

We had the inquiry into the Snowy water flows in 1998, conducted by Mr Webster, and he recommended that a flow of at least 15 per cent be restored to the Snowy River despite the fact — —

An honourable member interjected.

Mr HUDSON — He was a member of the New South Wales upper house. But a scientific panel had recommended that there should be a 28 per cent flow returned to the Snowy River. What happened under the Kennett government? Nothing, until the 1999 election. The Labor Party was the only party that went to that election with a commitment to restore a 28 per cent flow to the Snowy River, whilst at the same time protecting the rights of irrigators. Kennett had no commitment whatsoever to restoring an environmental flow. During the caretaker period he realised that this would become a political issue and belatedly said, 'I will restore a 15 per cent flow'.

In that caretaker period I happened to meet with officers from the Department of Premier and Cabinet, and they had done no work on identifying savings to restore that 15 per cent — no work, no discussions with

New South Wales and certainly a lot less work than we had undertaken at that time.

We all remember how, to try and capture the vote of the Independent member for East Gippsland, the former Premier came out — after Bob Carr, the New South Wales Premier, had made a request for above-target water from the Snowy scheme to be allocated in advance to New South Wales irrigators — and said, 'I won't agree to that unless Premier Carr agrees to a 28 per cent flow'. It was a late conversion by the former Premier, in the process creating a crisis for irrigators in New South Wales. It caused such a furore that that position lasted for less than a week. We had Premier Kennett finally backing down and saying that he would not hold a gun to the head of the New South Wales irrigators. The response of the member for Gippsland East at the time was appropriate. I think he was quoted as saying, 'I don't think I'd like the Premier selling my house'. But he had sold everything else, and he would have got around to selling this asset without any protections.

Let us have a look at the facts. Snowy Hydro Ltd is jointly owned by New South Wales, which has a 58 per cent share, Victoria, which has a 29 per share, and the commonwealth government, which has a 13 per cent share. Each government has a one-third control of the company under the shareholders agreement. One of the outcomes we have been able to achieve as part of the corporatisation process is the resolution of that water licence — as I said, something that the Kennett government was never able to achieve.

On 16 December 2005 the New South Wales government announced that it would sell its 58 per cent share of Snowy Hydro with or without Victoria's participation, and of course the commonwealth government, despite John Howard now trying to portray himself as a hero in saving Snowy Hydro, quickly followed suit and said it would sell its 13 per cent share on 7 February 2006. It was only following these decisions that the Victorian government reluctantly decided that it would have to sell its share in Snowy Hydro. It did that because, with the commonwealth and New South Wales agreeing to sell, Victoria was in a very difficult position.

What would have happened is that Victoria's holding in Snowy Hydro would have been put into a shelf company by the new private owner, so we would have been completely excluded from any real decision making by the new owner. We would have had no control over not only the asset but also the outcome of the privatisation. Snowy Hydro would have been sold, and the question of water licences and water releases

would not have been properly resolved. What the Victorian government was able to do was move to protect its interests in the face of that privatisation. We reached an agreement with New South Wales that we would provide an additional \$60 million to increase environmental flows from 21 per cent to 28 per cent. In other words, we recognised that the question of that remaining 7 per cent needed to be resolved as part of that process.

We reached agreement with New South Wales and Snowy Hydro that they would not decommission any structure that would impact on the ability of the scheme to release water from the Snowy Mountains, either for irrigation or for environmental flows. We also reached agreement with New South Wales regarding the future verification and auditing of the Snowy scheme water data. These were important protections, and the Victorian government took a sensible negotiating position.

The Nationals have come in here today and said that they want to protect the scheme by moving an amendment to the Constitution Act that would require a three-fifths majority to approve any sale in the future. The problem with the amendment being proposed by The Nationals is that Snowy Hydro is not a water authority, it is a hydro-electricity company. It is jointly owned by the commonwealth, New South Wales and Victoria, so not only is it not a water company, it is not a water company here in Victoria. It is a Corporations Act company and is therefore subject to commonwealth legislation. There are a number of technical grounds on which The Nationals amendment would fail in its current form.

This bill guarantees that any future sale of Victoria's share in Snowy Hydro is subject to proper parliamentary scrutiny, because any future sale will have to be agreed to by both houses of Parliament. It also requires that all the relevant documents attached to the sale will have to be tabled in both houses for the consideration of the Parliament, and they include all the documents that deal with water flows, including environmental flows and the supply of water entitlement to irrigators.

Let me make an important point about this parliamentary approval process. It is because of the reforms that the government has brought into this Parliament and entrenched in the constitution that the upper house will be a proper house of review in relation to any future proposed sale. For all but 4 of its 150-odd years, the upper house has been controlled by the Liberal and National parties. It has been a rubber stamp

for whatever legislation has been introduced into this Parliament in the lower house.

Mr Savage interjected.

Mr HUDSON — If you would like to look at it that way, as the member for Mildura properly points out, it has been controlled in this term by the Labor Party. What these reforms ensure is that in future it will be unlikely that either of the major parties will control the upper house, and this will ensure that any future sale of Snowy Hydro will be subject to proper parliamentary review and scrutiny, presumably including an examination by a parliamentary committee. An enormous safeguard has been built into the system that did not exist before.

The other thing I want to comment on quickly is the remark by the member for Gippsland East, who raised the issue of the flows from Mowamba Weir under the water licence. Under that licence for the first three years the releases were to be from Mowamba whilst the outlet was constructed on Jindabyne Dam. Personally I would like to see the flows continue from Mowamba, because I believe it provides us with connectivity to the upper montane rivers. I believe it would be good for the environment of the Mowamba River and would also be good for the environmental flows down the Snowy. I agree that the scientific panel should be convened to look at those issues, but the outlet has been constructed and the 28 per cent will flow from the Jindabyne.

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

Mr PLOWMAN (Benambra) — I want to comment on some of the issues that were raised by the member for Bentleigh. He said that Snowy Hydro is not a water company, but in fact Snowy Hydro is charged with the management of water which is utilised both in New South Wales and in Victoria, so it is definitely a company that has the management of that water under its own structure.

Secondly, he said there are technical grounds why The Nationals amendments would founder. If there are any technical problems — and you have to remember that the member for Bentleigh is a member of the current government — there would be no difficulty with the government doing what it did by way of entrenching it in legislation, as the member mentioned it did with the upper house. It is a matter of ensuring, if that is the desire of the government, to make sure it can happen.

As has been made quite clear today, if the government was really fair dinkum about not wanting the sale of Snowy Hydro to go ahead, it would endorse and accept

the amendments of The Nationals. I cannot understand why the member for Bentleigh is prepared to take a stand on this. This would have been an ideal opportunity for him to say that the government would support the amendments proposed by The Nationals, which would be second best to entrenching what is proposed. If you really want something, you entrench it. If you want to take the next step, you do as The Nationals suggest and require a three-fifths majority. It would then make it almost impossible, given the situation in the upper house after the next election, for any legislation to go through under that regime. I suggest that the honourable member for Bentleigh, although he speaks well in putting forward his arguments, is failing in basic logic. The government really needs to reassess its position on Snowy Hydro if it wants to convince the opposition that it is fair dinkum about not wanting to sell Snowy Hydro.

I am delighted to speak on the bill, because I was really looking forward to speaking on the private member's bill. It was going to give those of us who really opposed the sale the opportunity to get to our feet and have a go. This is now our opportunity, because we no longer need to fight the fight, and I am delighted to take this opportunity.

If there is any doubt in the minds of members of the Labor Party, and in particular in the mind of the honourable member for Carrum, who suggested that there was not a whisper from any members of the Liberal Party in opposition to the sale of Snowy Hydro, I point out that I made two relevant contributions to debate in the Parliament. I will quote briefly from both of those contributions. The first was on 1 March this year:

The question we have to ask the Bracks government is: why does it need the \$700 million to \$800 million from this sale when it is already the highest taxing government in Victoria's history? Is the backlog of school maintenance and construction so bad that this sale has to go ahead? This is a one-off windfall which should not prop up government expenditure on our schools which could easily be met by the huge increase in land tax, stamp duty, speeding fines and gaming taxes. If this government were looking to the future, the funds gained from the Snowy scheme would go to infrastructure.

What I meant there was 'infrastructure in the water industry', because that is the area that so badly needs these sorts of funds to ensure that the industry meets the needs in the next 20, 30 or 50 years. That was my first contribution.

My second contribution was on 31 May. It was well prior to the Prime Minister's announcement, and I was totally unequivocal about this. I will quote from what I

said in the house on 31 May. I asked the Premier to withdraw from the sale of Snowy Hydro — it could not have been clearer:

Neither the Victorian nor the New South Wales government has helped to pay for the construction or the operating costs of the scheme ... maintenance and running costs have been paid for by the consumers of electricity ... both state governments stand to receive massive windfall gains from the sale of Snowy Hydro without having paid a cent towards its construction and maintenance.

...

This Australian icon of engineering excellence, which took the lives of 127 Australians during its construction, belongs to the people of Australia.

And that is where it should stay. I am delighted to repeat what I said prior to the announcement by the Prime Minister: that this is one of the absolutely essential products of Australian labour. I was delighted to hear you, Acting Speaker, in your contribution to this debate, say that this was one of the underlying reasons why we ended up with such a strong multicultural community. In my electorate we had migrants coming into the Bonegilla Migrant Camp, and very many of them worked on the Snowy Hydro scheme. Many became engineers and many of them married and started their lives in that region. That multicultural aspect of the Snowy Hydro is one of the reasons why it is seen to be one of the most important projects ever undertaken in Australia.

The honourable member for Benalla suggested that we need integrity in respect of Lake Mokoan, and he dealt cleverly and clearly with the reasons why it is not being treated with integrity by the government. But we certainly did not get the integrity we should have in respect of the decision by this state government over Snowy Hydro. If I can just quote from the second-reading speech:

The Snowy Hydro Corporatisation (Parliamentary Approval) Bill, however, ensures that any future sale of Victoria's share in Snowy Hydro Ltd is subject to parliamentary scrutiny.

If you read between the lines there, you realise that what is being said in the second-reading speech is that when Snowy Hydro came up for sale and this state government agreed to the sale, there was absolutely no parliamentary scrutiny. All that we wanted, all that we asked for, all of the deeds and all of the details that we wanted we were not able to get. There was no scrutiny. It is ironic — in fact, it is worse than ironic — that in the second-reading speech the government talks about the scrutiny that will be available as a result of this, because there was no scrutiny at all at that time.

The opposition made tremendous efforts to try and obtain all the details that are envisaged in this bill, particularly the details of all the issues listed in the explanatory memorandum. If you run through them, you see they include relevant documents such as water flows, a licence under part 5 of the New South Wales Snowy Hydro Corporatisation Act, the Snowy Hydro company's constitution, the Snowy Water Inquiry Outcomes Implementation Deed and the supply of information between the Snowy Hydro Company and the Murray-Darling Basin Commission.

All of these things are things the opposition asked for when the debate was going on, but none of them were provided. It is just unbelievable that the government can now come in with this bill and say, 'These are the things that must be supplied', when in fact, at the time when we needed that information to make a reasonable judgment about the sale of Snowy Hydro before, they certainly were not available.

The main concern I have is that the current state government, with its No Dams policy, would not allow the Snowy scheme to be built today. If that major iconic project were proposed today — a project which put Australia on the map and which has produced one of the biggest food bowls in the world right throughout the New South Wales irrigation district and the Victorian irrigation district — it would not be built because of the government's current No Dams policy. I deplore the government's current policy, because Snowy Hydro and the whole of the Snowy scheme would not exist were they contemplated today.

The other thing is that the Snowy scheme was built to divert water inland, and it is one of the most successful diversion schemes in the world. Snowy Hydro was developed in order to pay for the scheme, not to allow the scheme to be restricted. I think the lesson in this is that we should never let the tail wag the dog. Despite that, I would have to say that I am quite prepared to support The Nationals.

Mr SAVAGE (Mildura) — It is a pleasure to stand up in this place and pay tribute to the Snowy Hydro Corporatisation (Parliamentary Approval) Bill and also to indicate my support for amendments that have been circulated by The Nationals, which would enshrine this very important authority in the state constitution.

There are some significant issues relating to this particular corporate authority that are important to every Australian. When we look at privatisations across Australia, we see that they have very little support from the vast bulk of Australians. There are none that I can think of, of the size of the Snowy corporatisation, that

have been successful and have produced the sorts of benefits that were put forward to justify those particular sales, and the sale of Snowy Hydro is another that certainly did not have the support of the vast majority of Australians.

We need to look also at what the Snowy Hydro is. It is a very complicated system of tunnels. It was built at a cost of about \$850 million, which at today's value would be about \$27 billion. There are 7 power stations, 145 kilometres of tunnels and 16 dams, and the company has energy assets in Victoria. It is a huge operation and one that should remain in public hands. The argument therefore is about it receiving more capital investment return back from the major shareholders so that it can reinvest in the important maintenance of that operation.

The government of Victoria's announcement that it was selling its share ostensibly to pay for school upgrades or rebuilding schools had no merit in the sense that I view the schools in my electorate as being in very good condition. There are issues in isolated cases, but overall I would have to say the schools in the Mildura electorate are very good. We should think more positively about state assets and be more inclined to talk up things rather than talk them down. The money we spend on education in this state is a reflection on the state of the schools. Therefore, I did not have a view on selling a very important asset on the basis that we needed to invest that money in schools. As I have said before, we spent nearly \$2 billion on the Commonwealth Games; if schools were in need of significant upgrades, that is where that money should have come from.

There was huge opposition, as all members in this place can attest, to the sale of the Snowy. A letter was addressed to this Parliament signed by a large number of people from across Australia, including some very notable individuals. I acknowledge that the member for Benambra has spoken here on a number of occasions indicating his opposition. I know The Nationals have asked some questions on the sale indicating their opposition, and Senator Bill Heffernan probably had a key role in Canberra in raising the possibility that the sale was a huge mistake.

I note that among the names in the open letter, which I think was incorporated into *Hansard*, there are no Victorian federal MPs from The Nationals or the Liberal Party. Maybe they were not given the opportunity to sign it. The member for New England, Tony Windsor, is there, as is Peter Andren, the member of the House of Representatives for Calare, but there

are no other names of members of the lower house of the federal Parliament in the letter to this Parliament.

I continually hear that there was significant opposition from members of the federal Liberal Party and the federal Nationals, including Sussan Ley, the member for Farrer, and John Forrest, the member for Mallee. But when there was a vote in the house none of those members were there supporting the members for Calare and New England. That is a tragic shame. In fact, the federal member for Gippsland, the Honourable Peter McGauran, actually spoke in favour of the sale of Snowy Hydro.

I am somewhat perplexed at the level of opposition we have seen post the decision not to sell. I am not sure that there is too much sincerity in some of those statements. The people of Australia probably feel, in some ways, similar to how I feel on that issue. The federal member for Riverina, Kay Hull, a member of The Nationals, also indicated some significant opposition, but she neither supported the vote nor signed the letter.

The member for Gippsland East mentioned an issue that does not seem to have been picked up by others — that is, that one of the reasons the federal government may have decided to withdraw from the sale was its free trade agreement with America. I have to support that theory. In fact, the *Age* of 12 June reported that the limitation of shareholdings — to I think 13 per cent — may have been impossible under the free trade agreement with the USA. The article, written by Rod Myer, states in brief that the Australian free trade agreement:

... in its provisions on investment, says nationals of both countries must have the same rights to assets in the country of the other, which makes limitations on foreign investments a problem.

Further on it says:

Also, the FTA gives free rein to investments valued below \$800 million.

As 15 per cent of the Snowy sale would have amounted to \$450 million, that would put the restriction below the threshold allowed for examination of shareholdings.

This was going to be a major problem. The federal government saying that it would limit shareholdings to below a certain percentage to prohibit foreign nationals from owning large slabs of it would have been in conflict with the United States free trade agreement with Australia. That would have been a significant problem politically for the federal government.

The other puzzling aspect of this is that the state of Victoria was told that because its shareholding was a minority shareholding, it had to join New South Wales. It was the first to put its hand up, and then there was the federal government and then the state of Victoria. Although we have a 29 per cent share and the federal government has a 13 per cent share, when it withdrew from the sale of its very small shareholding, everybody else fell into line. I do not understand the reasoning behind saying we had to sell our 29 per cent when the federal government, which has only 13 per cent, pulled out, and it all fell over like a pack of cards. I am really glad that it did.

On reflection this is the first time when public support has had an impact on both sides of politics, both state and, especially, federal. For whatever reason the Prime Minister decided to withdraw from the sale, I will give him credit for the fact that he did. This has been a very good outcome for every Australian because every Australian has a share in the cost of building the Snowy and a share in the fact that it continues to provide \$1 billion of assets to the governments which are shareholders. I am sure that if they had an investment that provided a \$1 billion return every seven years, members of this place would have to ask, 'Why would you sell it?'. It is fantastic. The Victorian share was about \$600 million; that is a very small return for something that produces such a large asset return to taxpayers. They are the owners — the taxpayers.

Governments of the day may be the guardians and custodians, but they are not the owners. I know we are reflecting on this in this house and everybody is coming on board saying, 'Yes, this is a good piece of legislation', but the principle has been overlooked in this whole process. When we are custodians of things we need to ask people, 'Do you want us to sell this on your behalf?', and not say, 'We are going to sell this because we need to fund shortfalls in the New South Wales state budget', or manufacture reasons in this state to upgrade schools. We need to make sure that the people of Australia and the people of Victoria have some say and give us support to do these things. I commend the bill and I commend The Nationals amendments, which I will support strongly.

Mr MAXFIELD (Narracan) — It is certainly with pleasure that I stand here in the chamber to speak in support of the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. This takes us to another level in terms of the whole Snowy Hydro debate. I noted with interest the comments of a previous speaker from the Liberal Party that if we had taken the position we have taken this week on the proposal to not build

any more dams, the Snowy scheme would have not been built.

A number of issues centralise around this bill. Our position is that we must look at what we have done in the past and ensure that we can do better in the future. There is no question that there has been environmental damage through some of our past actions. It is clear that even though we are all pretty proud of the Snowy Hydro scheme overall, there have been issues around returning flows to the Snowy and how best we have utilised our water. It is quite silly to pretend that our policy today would have affected something in the past, because that was a different era, a different time, with a different need.

I will start by making some comments about the Snowy Hydro Ltd float. Not only did the federal Liberal Party and The Nationals want the privatisation of Snowy Hydro to occur, but the coalition had a long-held belief that it should occur. In *Hansard* back in 1987 the current leader, then in opposition, made it quite clear that one of their top priorities was the privatisation of the Snowy. The coalition was very strong on it back in 1987. We are not talking about a little time here; it has been the long-term philosophical view of the coalition to flog it off.

Certainly when the New South Wales government and the federal government came up with a proposal Victoria was in a very difficult situation. We could have got locked into a minority position where we were not in control of very real issues around water guarantees for our irrigators. When this went to the federal Parliament, did The Nationals MPs in Canberra stand up for irrigators rights? Did they demand water entitlements from the Snowy as a condition of any sale as far as the federal government was concerned? Not on your nelly! They just signed up and were happy to sell out the irrigators right across Victoria who were gaining from the Snowy scheme.

It was pretty disappointing that the federal Liberals and the federal Nationals, who pretend to represent regional Victoria, could not stand up for irrigators and demand irrigation rights. But the farmers of Victoria were pretty lucky they had a state Bracks government, which made it quite clear that irrigators entitlements were absolutely at the top of its priorities. We quite clearly said that we would agree to go along with the sale that was being forced on us by the federal Liberals, the federal Nationals and the New South Wales government only — —

Mr Walsh interjected.

Mr MAXFIELD — I said ‘New South Wales’, to respond to the interjection. What we are actually finding out is that it is the Bracks government that has come out of this with credibility, because we are the ones who were standing up for water entitlements and we are the ones who were looking after the irrigators.

Mr Smith — The only thing you’re standing up for is the 600 million bucks. That’s all you’re standing up for.

Mr MAXFIELD — I know I must speak through the Chair, but I note that the member for Bass is making some comments. I certainly did not see the member for Bass stand up in this chamber and demand that the irrigators be looked after. The member grew up in the Kennett era, when the policy was, ‘Flog it off, flog it off, flog it off’, and if you did not flog it off you made sure you were going to flog it off. The only reason the Kennett government did not completely flog off our water assets across the state was that the voters intervened in the 1999 election and said, ‘No more of your flogging it off!’. It flogged off our power and it flogged off our gas like there was no tomorrow. It could not stop flogging things off. And of course in Canberra it was again all about, ‘Flog it off, flog it off, flog it off’.

I did not see any delegations of Liberals and Nationals in this chamber going up to Canberra to insist on irrigators entitlements and water rights or to call on the commonwealth not to proceed. What we have here is in fact gross and appalling hypocrisy. The member from Swan Hill is here. I grant that he was not in Parliament when all the flogging off was occurring. He was certainly, obviously, a strong supporter of The Nationals — —

Mr Smith — I don’t believe this!

Mr MAXFIELD — The member for Bass is here. Of course he had blood all over his hands when it came to flogging everything off. He could not wait to flog them off, and if he ever got into power again I have got no doubt our hospitals would be next, our nursing homes would be next — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Plowman) — Order! The member should come back to the bill.

Mr MAXFIELD — Acting Speaker, I must admit I have strayed a little bit. My beliefs and convictions are quite strong!

Let us consider the issue of water for our irrigators and the Bracks government's achievements in that regard. Not only that, but saving the Snowy River is going to go down as one of the Bracks government's proudest achievements. We are returning environmental flows to the Snowy, and by cutting Melbourne's water consumption by 20 per cent we have been able to return flows to rivers in my electorate. The Thomson River now has additional flows, which of course is going to help save and rebuild the Gippsland Lakes. A proposal that can only be described as the greatest potential act of environmental vandalism in this state's history would involve the building of dams to deny additional water flows to the Gippsland Lakes. The proposal to reduce the water flowing into the Gippsland Lakes by putting in addition dams, which is supported by The Nationals, would simply turn East Gippsland into an absolute wasteland. Lakes Entrance would be decimated for tourism, the fishing would collapse — —

Honourable members interjecting.

Mr MAXFIELD — Because the Gippsland Lakes would effectively be sewage ponds. Metung — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Plowman) — Order! If the member gets back to the bill it might reduce the interjections.

Mr MAXFIELD — Acting Speaker, you can certainly see the embarrassment on the faces of our political opponents, because they know their policy was to flog everything off.

Mr Jenkins — They are hypocrites!

Mr MAXFIELD — I must confess that the hypocrisy is just stunning. The opposition has come into this chamber for the debate on this bill pretending that it has had a big conversion on the road to Damascus. It has now suddenly discovered that it is really a party of country socialists at heart. Suddenly it has decided that it has seen the light and is opposed to privatisation. What we are now waiting for is for the opposition to issue its apology for what it did to this state over seven, dark years.

What we are about in this bill is protecting the Snowy. It is about protecting our irrigators and it is about protecting water rights. I certainly welcome some of the contributions from colleagues in the Liberal Party and The Nationals in Canberra — including, for example, their support for the decommissioning of Lake Mokoan. They are aware of the enormous waste of millions of litres of water there that could be used by

irrigators and farmers and could assist with environmental flows. That really is the history that we are talking about here today. I support this bill and recommend its speedy passage through the Parliament.

Mrs POWELL (Shepparton) — I am pleased to make a contribution to the debate on this bill on behalf of The Nationals. If anybody would like to know what this bill is about, they should not read the Labor Party's contributions but instead read the opposition's contributions. The contributions we have heard from Labor Party members have been all over the place. They talked about hospitals and the health system — everything else other than what this bill is about — because they really do not understand it and do not understand irrigators. The member for Narracan said that the Labor government wants to protect irrigators. If that is the case, he should vote for The Nationals proposed amendments. I look forward to seeing his name on the side that says he is supporting the amendments.

We are told that this bill will ensure any future sale of Victoria's share in the Snowy Hydro will be subject to parliamentary scrutiny. That does not mean the Bracks government does not believe in selling it off; it just means that if it wants to sell it off, it will bring it in for scrutiny. We all know that the Bracks government has a majority in both houses of Parliament, so at this stage, even when this bill is passed, it will still be able to do that; it will still be able to sell the Snowy Hydro scheme. If the bill goes through both houses of Parliament and the Bracks government wants to sell it, it will still be able to go through. There will be no protection at all under this bill.

The bill has been introduced because last year the Labor government wanted to sell off its 29 per cent share of the Snowy Hydro scheme and the New South Wales Labor government wanted to sell its portion. To his credit the Prime Minister, after listening to the community, said he did not want the Snowy Hydro system to be in private hands. He has shown leadership and made a decision. To give the Prime Minister his due, he listened to the people, changed his mind and made the decision. There was a huge outcry, and the Bracks government has had to listen to that huge outcry.

I support the amendments to be moved by the member for Swan Hill on behalf of The Nationals, which, if passed, will give the community confidence that any government with a majority in the future will not be able to sell the Snowy Hydro. It is a commitment to the people of Victoria, who do not want to see it sold off, that it will not be sold off by any future government.

The amendments provide the commitment that a huge proportion of members of Parliament, about 60 per cent of members, would have to support a sale for it to occur. In April 2003 the Bracks government amended the Victorian constitution to prohibit the privatisation of any water authority unless a three-fifths majority of members in both houses supported it. That is what we in The Nationals are asking for — that the same conditions for the sale of the Snowy Hydro Corporation be included in the constitution.

The Bracks government said it wanted to sell Snowy Hydro and use the money it received — \$600 million — to maintain and modernise schools.

Mr Smith — There is a black hole.

Mrs POWELL — There is a black hole, as the member for Bass has said. Realistically, maintaining schools should be part of the government's core business. It should be in budgets that come before this Parliament all the time. There were no lists showing the schools that needed to be upgraded, so we had no idea where that money was going to go. There was no budget figure, so we did not even know which school needed what amount of maintenance. The government just said, 'Here is \$600 million, and we are going to spend it'. I can guarantee that the government would not have spent \$600 million on schools.

The government said it did not want to sell Snowy Hydro, but that money was already in the budget. That \$600 million had already been spent. The government said it was reluctant, but it had made a decision a while ago and the proceeds were included in the budget to allow it to go ahead with that.

We in The Nationals and the Liberal Party understand the importance of a secure water supply to irrigators. This bill deals with water users in the Murray–Darling Basin, and over the past six years we have had a number of our irrigators going through some very tough times because of the drought. We in the National and Liberal parties understand the importance of water supply and the security of water supply to our farms and businesses in country Victoria. Over the time of the drought there have been public rallies and meetings, but not one Labor MP has been to any of them. There have been members of The Nationals at those meetings; there have been members of the Liberal Party at those meetings; but there has not been one member of the Labor government at any of those meetings. They are not listening to country Victoria.

When I was a member of the upper house we were also promised by the supposed minister for the Snowy, the

Minister for Local Government in the other house, Candy Broad, that any water for the Snowy would come from savings. It never came from savings, it came from irrigators and now also from the decommissioning of Lake Mokoan. The people of Victoria do not trust the Bracks government when it comes to water.

The government named the member for Gippsland East in the second-reading speech, giving him credit for the protection of the Snowy River and the irrigators entitlements. The member for Gippsland East has indicated that he will vote for The Nationals proposed amendments, the member for Mildura has indicated he will and the Liberal Party has indicated it will. If the government is fair dinkum about looking after the security of irrigators water rights, it will also support The Nationals amendments.

Sitting suspended 12.59 p.m. until 2.02 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Hospitals: waiting lists

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier. I refer the Premier to 70-year-old Mrs Elaine Russell, a category 2 patient who suffered a painful shoulder injury and has been forced to wait on Labor's waiting list at the Alfred for more than 18 months. I ask: when will the Premier take responsibility for Victoria's waiting list crisis and get Mrs Russell the treatment she deserves?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. If you look at the achievements of this government over the last six and a half years, you can see that we are treating some 250 000 extra patients every year. We have increased funding to health more broadly and to the hospitals by some 83 per cent. In our emergency departments we are treating about 800 000 patients, and Victoria has been acknowledged by the Productivity Commission and by the federal government as the best-performing state in Australia in terms of the health system.

My answer to the question of the Leader of the Opposition is this: we will continue to invest in more nurses, more teachers and, in the health system, more doctors as well — —

Mr Baillieu — On a point of order, Speaker, the Premier is debating Mrs Russell's condition with statistics. When will the Premier help Mrs Russell?

The SPEAKER — Order! The Leader of the Opposition knows that is an inappropriate way to behave in the Parliament.

Mr BRACKS — My answer to the Leader of the Opposition is this: we will continue to keep investing in the health system in Victoria, increasing funding, increasing the number of doctors and increasing the number of nurses. What we will not do is what the Liberal Party did when the opposition leader was its president, and that is close hospitals, sack doctors and sack nurses.

Sport: major events

Ms MUNT (Mordialloc) — My question is to the Premier. I refer the Premier to the government's commitment to ensure that Victoria remains the major events capital of Australia and ask him to update the house on the most recent examples of the government working to deliver on that commitment.

Mr BRACKS (Premier) — I thank the member for Mordialloc for her question. I am very pleased that the benefits which accrue to the Victorian economy from the Victorian Major Events Company calendar of events and also the continual investment we have made in major events in this state have led to some \$1 billion of new investment in Victoria each year. That is a recurring amount which accumulates in the economy each year.

I am very pleased that, as part of the recent Council of Australian Governments (COAG) meeting, each state and territory and the commonwealth together reaffirmed the commitment to seek to support a Football Federation Australia bid for World Cup soccer in 2018. We do not underestimate the task involved; it is going to be very difficult to secure that for Australia. There is going to be enormous competition for that event, but having every state and territory and the commonwealth government together in agreeing to back and support such a bid is a very important first step that has been taken. I think that was an important step by COAG. The work and preparation for that will start now.

I can indicate, and I indicated this at COAG as well of course, that if the 2018 World Cup is played in Australia, we would fully expect on any objective assessment that the actual final would be played at the Melbourne Cricket Ground. There is no doubt about that. If you left that objectively for independent assessment, the 100 000-seat stadium with logistical superiority and a proven track record would be the place where that final would be played.

I am also very pleased that next year one of the biggest events on the major events calendar will occur between 17 March and 1 April, and that is the first of the Formula One grands prix which we understand will be announced very soon on the timetable. It will be the first for the year. Not only that, but we will have associated with that the FINA World Swimming Championships. Those two events together will account for some \$250 million being accumulated in the Victorian economy — the economic benefits from the FINA World Swimming Championships and the Formula One grand prix.

I will quote an article from the *Herald Sun* of 20 July which carried the headline 'Our sports feast'. The article says:

The world's fastest racing car drivers and swimmers ... hit town at the same time next year.

The leverage that is available for international visitors to go to one event, to stay for another event and then stay on and see what is great about Victoria is going to be a magnificent boon for our city and our state, with the added benefits that will occur for regional Victoria from those visitations.

It goes without saying that there are not many other places in the world which have the capacity to hold two major international events very close together, as we will between March and April next year. We are one of the few places in the world that could hold those events effectively, and it is really a great credit to the Victorian major events committee and the stewardship we have had in major events in this state.

Wind energy: Dollar

Mr RYAN (Leader of The Nationals) — My question is to the Minister for Planning. Is the government going to give planning approval for the Dollar wind farm?

Mr HULLS (Minister for Planning) — That matter, as the honourable member would know, is currently being assessed, and a decision will be made based on advice I receive from the department and indeed the panel. I do not intend to pre-empt that process by giving the honourable member an answer now, because the fact is that it is going through a process.

Tertiary education and training: rural and regional Victoria

Mr HARDMAN (Seymour) — My question is to the Minister for Education and Training. I refer the minister to the government's commitment to increasing

the level of participation in education and training in rural and regional Victoria, and I ask the minister to advise the house on recent news regarding regional students staying on in education and training after year 12.

Ms KOSKY (Minister for Education and Training) — I thank the member for Seymour for his question and indeed his great interest in education, having been a paid educationalist previously but still maintaining that strong commitment now that he is in Parliament.

We have invested \$6.3 billion extra since we came into office, and that investment has been in education and training. The On Track data I recently released demonstrates that investment is definitely paying dividends for all young people across Victoria. As I have often mentioned in this house, we have the highest number of young people completing year 12 or its equivalent of any state around Australia, and we have worked very hard to achieve that. What is very interesting in the On Track data is that those benefits are being shared right across Victoria, so this is not just in metropolitan Melbourne but in regional and rural Victoria as well.

More than 65 per cent of students from the year 12 class of 2005 from regional and rural Victoria are studying at a university or TAFE or undertaking an apprenticeship or traineeship — 65 per cent! That is very good work. It means that we are building on the education and skill base of country Victoria. We know that that is a very important part of the national reform agenda, and it is very much part of the educational and training agenda in regional and rural Victoria.

The proportion of students doing an apprenticeship is now 7.1 per cent of those year 12 students. That figure has increased, which is very good news, because we are getting young people taking up apprenticeship opportunities in regional and rural Victoria and hopefully moving into those skill areas in the future. This is great news for country Victoria. Of the remaining students 17.8 per cent are employed and 13.3 per cent have deferred their university or TAFE place; so they have been offered a place, but they have taken a year off. Only 3.9 per cent were looking for work when the survey was undertaken, and that is down from 6.5 per cent in 2003. That demonstrates the strength of the economy in provincial Victoria, the jobs that are available and the jobs growth we have had under this government.

The survey again confirms that in rural and regional Victoria our schools are a great place for students to

study, and they are really providing students with opportunities beyond education. Just one example —

Mr Baillieu interjected.

Ms KOSKY — A survey sample? Every student who completes year 12 is actually surveyed. We do the On Track data, and we are the only state to ever do this. We put a lot of funding into it; we follow up every student who has completed year 12 to find out where they are six months after they have finished year 12, and we offer them support if they want it. The On Track program is a great program, and now Queensland and Western Australia have taken up what we are doing and they are using the same person who provided the services to us to develop this scheme. That was a very good question that was asked.

There is one example I thought members of the house might be interested in. At Kaniva College in the seat of Lowan every student from the year 12 class of 2005 is either employed or studying. Seven students are at university, three students are at TAFE, one is doing an apprenticeship, one is working full time and one has deferred and is also working full time. That is a fantastic outcome, and I know that the member for Lowan would congratulate the schools in his electorate for achieving that result — and it is a fantastic outcome for the students and for the community. I could give many more examples, but I know that I am limited by time.

Our investment is paying dividends in rural and regional Victoria. Compare this to the slash-and-burn approach when the opposition was in government and the figures for year 12 completions were going down; they are now going up under this government.

Mr Cooper — On a point of order, Speaker, the minister has now been speaking for well over 4 minutes. I ask you to bring her to a conclusion on this rambling.

The SPEAKER — Order! I understand the minister was concluding her answer.

Ms KOSKY — In conclusion, I know that at a recent Australian Education Union conference where I was speaking a member for Gippsland Province at least acknowledged the deplorable condition of and record on education of his government — and then cried crocodile tears.

Mr Ryan interjected.

Ms KOSKY — He did — on the record.

The SPEAKER — Order! The minister, to conclude.

Ms KOSKY — I believe that you should be judged on what you have done and not on what you say. This government is absolutely prepared to be judged on what we have done in education since 1999, because we will continue our record in education, which will benefit all Victorian families.

Hospitals: waiting lists

Mrs SHARDEY (Caulfield) — My question without notice is to the Premier. I refer the Premier to Mr Steve Thorneycroft, a category 2 patient suffering a blocked femoral artery who may lose his leg if he does not receive life-saving surgery, and I ask: will the Premier explain to Mr Thorneycroft why he has been forced to wait on the Frankston Hospital waiting list for almost two years? When will the Premier take responsibility?

Mr BRACKS (Premier) — I thank the member for Caulfield for her question. As the member and most other members of this house would know, Frankston Hospital is one of those hospitals we have rebuilt. We have committed to several stages, and we have seen the successful completion of those stages. That was in order to address the problems which had occurred when we came to government. There was underinvestment and the closure of 12 hospitals in Victoria before we came to government.

As I mentioned before, we have invested record amounts in the health system in Victoria. More than \$2 billion has been invested in health in Victoria, we have employed more than 6400 new nurses and we have employed new doctors. And of course if you look at the objective evidence — if you look at the productivity report by the federal government — you find that Victoria's health system is performing better than that of any other state in Australia. If you look at the outcome as well — —

Mrs Shardey — On a point of order, Speaker, on the issue of relevance, Mr Thorneycroft would like an answer to the question.

The SPEAKER — Order! The Premier, to continue.

Mr BRACKS — I am sure we are all waiting for answers on and an apology for what the Liberals did to the health system for seven years, when they cut hospitals, they cut funding and they sacked nurses. We will continue to invest as we have invested in the past.

Schools: information and communications technology

Mr JENKINS (Morwell) — My question is to the Minister for Education Services. Can the minister please outline to the house how the government is ensuring that students in regional Victoria have access to the latest information and communications technology?

Ms ALLAN (Minister for Education Services) — I thank the member for Morwell for his question. This morning I had the great pleasure of joining the member for Pascoe Vale in visiting Westbreen Primary School in her electorate and announcing that every Victorian government school is going to be sharing in a \$12.5 million boost to information and communications technology in our schools. Westbreen Primary School is a fine example of how the Bracks government's investment in technology is inspiring schools to open up a whole new world of learning for their students.

While all government schools in Victoria will be sharing in this good news, we know that for students in regional and rural Victoria there are significant benefits from improving their access to the latest technology. Schools in rural and regional Victoria will be sharing in almost \$5.5 million of this additional computer funding. That will enable those schools to purchase around 5000 new computers for students in those schools.

When you look at what this builds on, it builds on the hard work that we have done in this area over the past six and a half years. If I can just talk about that. Victorian students now enjoy one of the best computer-to-student ratios of anywhere in the world.

Dr Napthine interjected.

Ms ALLAN — No, it did not. It is very, very interesting — —

Dr Napthine interjected.

The SPEAKER — Order! The member for South-West Coast!

Ms ALLAN — It is a point I was going to come to but I am happy to come to it a bit earlier because we have reduced the computer-to-student ratio to one to five — a very, very good ratio and one of the best in the world. Then what have we done? We have halved the rate; we have halved what it was under the Liberal and National Party government in the mid-1990s. That is a significant achievement.

Mr Perton interjected.

The SPEAKER — Order! The level of conversation in the house is too high. I ask members to be quiet to allow the minister to answer the question.

Ms ALLAN — We are going to miss you, Victor.

Honourable members interjecting.

The SPEAKER — Order! The minister will address her answer through the Chair or I will sit her down.

Ms ALLAN — We certainly have a much better record than that of the previous Liberal and National Party government that the member for Doncaster was a member of!

The SPEAKER — Order! The minister will return to answering the question and not debate the matter.

Ms ALLAN — We have equipped our teachers with their very own personal laptop computers. We have wireless enabled every single government school in the state. With the VicSmart rollout we have also connected every single government school to high-speed fibre optic broadband. It does not matter whether it is the smallest school in the state or the largest school in metropolitan Melbourne; every single government school in Victoria is going to have access to an unprecedented level of resources and they will be placed at the fingertips of our students.

What does this mean for students in the classroom? Recently the member for Morwell and I visited Grey Street Primary School in Traralgon. It was so exciting to see the students at that school using technology in the classroom, designing highly sophisticated multimedia presentations. For the member for Morwell and me this is just one of the many examples we have seen of the difference that this investment is making to student learning. This investment is also equipping students with the skills that they need to be part of the work force of the future.

The Bracks government understands the importance of technology in the classroom, and investing in technology for students in regional Victoria is an investment in the future of regional Victoria. It is just another way that this government, the Bracks government, is working very hard to make regional Victoria the best place to live, work and raise a family.

Hospitals: waiting lists

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier. I refer the Premier to 60-year-old Albert Riddoch, who is suffering from a life-threatening hernia with associated medical

complications and who has been waiting for more than two and a half years for surgery at Geelong hospital. Given Mr Riddoch's urgent need for medical attention, will the Premier be providing Mr Riddoch with spin or with surgery?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. Can I reiterate that if you look at the urgent elective surgery waiting times in Victoria, in fact the average is seven days, with 100 per cent seen in 30 days, which is the best in Australia. In relation to individual cases, we of course will do everything we can to deal with those individual cases. If those matters are referred to their clinician, then those assessments can be remade. What they do know and what the public of Victoria knows is that we are investing record amounts in health in the state.

Our Environment Our Future: rural and regional Victoria

Mr MAXFIELD (Narracan) — My question is to the Minister for Environment. I refer the minister to the government's commitment to making regional Victoria a great place to work, live and raise a family and ask the minister to detail for the house how this week's environmental sustainability action statement will deliver on this commitment to help Victorian farmers and rural communities.

Honourable members interjecting.

The SPEAKER — Order! I remind the member for Kew and the member for Mornington that I require them to be quiet while questions are being asked by members of the government.

Mr Perton interjected.

The SPEAKER — Order! The member for Doncaster!

Mr THWAITES (Minister for Environment) — I thank the member for Narracan for his question. Over the last six years Victorians in rural and regional Victoria have done a tremendous job in making Victoria a more sustainable state. They have saved water, they have become more efficient in irrigation and they are involved in projects like the carbon tender program, which is soaking up greenhouse gas emissions.

This week's environment action statement contains many further initiatives that will bring benefits to farmers and rural Victorians. New wind farms will bring investment of around \$2 billion to regional

Victoria and provide around 2200 extra jobs. Some farmers are going to directly benefit from wind farms.

Mr Ryan interjected.

The SPEAKER — Order! The Leader of The Nationals!

Mr THWAITES — There will be payments to farmers, who will be able to supplement their farm income. Farmers will be able to receive around \$5000 per turbine. For example, there was a report in the *Age* on Lawrence Gallagher, a farmer in the Waubra region, who will have six turbines on his properties and receive \$7000 for each, which is an extra \$42 000 income. He is quoted as saying:

We see them as drought proofing our property ...

Mr Helper interjected.

Mr THWAITES — They are. The environment statement also — —

The SPEAKER — Order! The Minister for Environment, without the assistance of the member for Ripon.

Mr Ryan interjected.

The SPEAKER — Order! Or the Leader of The Nationals.

Mr THWAITES — The environment action statement contains other measures which will help farmers to help the environment and also to supplement their farm income. For example, we have provided another \$2.7 million to extend bush tender across the state. This initiative will help farmers invest in and preserve native vegetation on their farms.

A further \$14 million will be invested to develop new, market-driven schemes for farmers to provide ecosystem services. This means more money for farmers who look after their land. For example, this could enable a farmer to supplement his farm income by protecting valuable native vegetation and habitats for native animals. The farmer is then able to sell this environmental benefit back to, for example, a housing developer, who may need to clear native vegetation in a different part of the state. What you get is a win for the environment, you get support for development around the state and you also get extra income for farmers.

There are many other initiatives of great benefit in the statement. There is \$8 million for Landcare, \$4 million for the healthy soil initiative, \$4.4 million for the native vegetation trust and \$4 million for dairy manufacturers

to implement cleaner production. Of course there is also support for a biofuels industry in this state.

I must say that I was pleased to see the response of the Victorian Farmers Federation to the statement in a release headed ‘Sustainability action statement welcomed by farmers’:

The VFF welcomes the \$14 million investment into the development of market-driven systems for ecosystem services ...

In it the VFF said amongst other things:

We believe market-driven services provide a means for the community to contribute to the protection and enhancement of the environment, rather than farmers bearing the load.

That is a strong endorsement from farmers for the statement, just as we have had strong endorsement from business and from environment groups. As usual, we have the plans and we have the support, but once again we are seeing that the opposition has no plan and no solution.

Hospitals: waiting lists

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier. I refer the Premier to the serious allegations made by Dr Peter Lazzari, the most senior medical representative of Victoria’s public hospitals, and the concerns of the Royal Australasian College of Surgeons that more than 1500 Victorians have died while on the waiting list, and I ask: when will the Premier take responsibility for Victoria’s failing health system and request the state coroner to investigate these deaths?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. We are, I have to say, still waiting for responsibility to be taken by the Liberal Party in this state for the closing of Koroit, Macarthur, Clunes, Elmore, Mortlake, Lismore, Beac and so on. Twelve country hospitals — —

Honourable members interjecting.

Mr Cooper — On a point of order, Speaker, the Premier has started his answer by debating the question. I ask you to bring him back to the matter and to answer the question.

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

Mr BRACKS — I reject the allegations that are made in the quoting of people in the Leader of the Opposition’s question. I reject those allegations

completely. We have been investing in the health system at record levels. We have been objectively assessed by both the Productivity Commission and the federal government in the state of the hospitals report as having the most effective health system and hospital system in this country. That distinguishes us from what went before us with the cuts that were made to the health system. We have invested in record levels and will continue to do it.

Rural and regional Victoria: economy

Mr HELPER (Ripon) — My question is to the Minister for State and Regional Development. I refer the minister to the Bracks government's commitment to govern responsibly and to grow the whole of the state, and I ask him to advise the house on recent information demonstrating how this has benefited regional Victoria.

Ms Asher interjected.

The SPEAKER — Order! I ask the member for Brighton to be quiet while questions are being asked.

Mr McIntosh interjected.

The SPEAKER — Order! The member for Kew!

Mr BRUMBY (Minister for State and Regional Development) — I thank the member for Ripon for his question. I am pleased to advise the house that I have more good news today. More good news for provincial Victoria! The Australian Bureau of Statistics regional labour force figures were released today, and they show that since the election of the Bracks government there have been nearly 100 000 — —

Honourable members interjecting.

Mr BRUMBY — Listen to this, you might learn something! There have been 96 000 new jobs created in regional Victoria. I want to put this in perspective: that is 96 000 in the six and a half years the Bracks government has been in office compared to 40 000 in the seven years of the Kennett government. The good news does not end there. Over the past year employment in regional Victoria has grown — —

Dr Napthine interjected.

The SPEAKER — Order! I think we have heard enough from the member for South-West Coast.

Mr BRUMBY — I think there will be a few saying that on 25 November.

The SPEAKER — Order! The minister will return to answering the question.

Ms Asher interjected.

Mr BRUMBY — Did you say he will romp it in?

The SPEAKER — Order! I ask members of the opposition to cease interjecting, and I ask the minister to stop responding to interjections and return to answering the question.

Mr BRUMBY — You said he would romp it in.

The SPEAKER — Order! The minister will address his response through the Chair.

Mr BRUMBY — Over the past year employment in regional Victoria has grown faster than in Melbourne. Victoria and Western Australia are the only two states that have had a drop in the regional unemployment rate over the last year, and in the last six years the growth in regional Victorian employment has been 14.4 per cent, which is above the national average for regional growth. That comes on top of the regional building approval figures, and I referred to them yesterday in the Parliament.

If you look back over the last six years, you find that six years ago regional Victorian building approvals represented less than 5 per cent of total Australian building approvals; they now represent around 7 per cent. Our share of the national economy is growing. All of this is because of good policies, it is because of hard work, it is because of a commitment by the government to grow the whole of the state. While that is all very positive news for the state, there is a threat to that.

I noted last week at the Victorian Farmers Federation conference that one of the speakers there released some policies and circulated them to VFF members. I have had a look at some of the policies that were circulated, and if you do a cursory costing of them, you see that they represent a reckless splurge in terms of promises. They total billions of dollars over the next four years and they would — —

Mr Ryan — On a point of order, Speaker, while I welcome the promotion of these wonderful policies that The Nationals have released, the minister is debating the question, and I would ask you to have him return to answering it.

The SPEAKER — Order! The minister can continue discussing alternative policies as long as he relates them to Victorian government business.

Mr BRUMBY — Speaker, I said there was a threat, but I had not mentioned The Nationals. There were some policies — —

Honourable members interjecting.

Mr BRUMBY — It is — —

The SPEAKER — Order! The minister, through the Chair.

Mr BRUMBY — There are two threats actually, Speaker: one is The Nationals, the other is the Liberal Party. I have some of those policies here today. I will table them in the house, because they were sent out to farmers but do not appear on the web site, interestingly enough. I understand that these policies of the Victorian Nationals were written by the Honourable Julian McGauran — —

The SPEAKER — Order! The Minister for State and Regional Development must relate his comments to Victorian government business.

Mr BRUMBY — Speaker, I will. I understand that this was a parting gift to The Nationals, and we have a passing shot. I will table this for the benefit of the house. As I say, it poses a threat to the continued prosperity of provincial Victoria. We have seen strong growth under the Bracks government. It is a major turnaround from the 1990s. We do not want these sorts of policies getting in the way of good growth in the future.

Mr Ryan — On a point of order, Speaker, I move:

That the policies which the minister has now tabled be incorporated in *Hansard*.

The SPEAKER — Order! While leave can be granted to incorporate documents, certain processes have to be gone through beforehand.

Mr Ryan — I move, by leave, and subject to the approval of *Hansard*:

That the policies which the minister has now tabled be incorporated in *Hansard*.

Leave refused.

Mr Ryan — On a point of order, Speaker, the minister has obviously misled the house. I have sought leave for incorporation, which has now been refused. If it is that the minister wants to give accurate information to the house, he should surely agree with his own course and have them incorporated. I ask you to rule accordingly.

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

As the minister has concluded his answer, question time is now concluded.

SNOWY HYDRO CORPORATISATION (PARLIAMENTARY APPROVAL) BILL

Second reading

Debate resumed.

Ms GREEN (Yan Yean) — It is with great pleasure that I join the debate on the Snowy Hydro Corporatisation (Parliamentary Approval) Bill, which we all know has great public support. The community's appetite for privatisation diminished long ago, and to demonstrate that we need go no further than the purpose of this bill, which is:

To amend the Snowy Hydro Corporatisation Act to prevent the sale of shares in Snowy Hydro Limited held by the state government without the approval of both Houses of Parliament.

This is a good result that will ensure that both houses have to approve of a sale in the future and that any sale or disposal will require the approval of not only this house but the New South Wales and commonwealth parliaments. We are also proposing that, when considering any future sale, the Victorian Parliament be provided with copies of all relevant documents, including any agreements that deal with the following: water flows, which are absolutely crucial; the New South Wales water licence and any changes to it; the constitution of the company and any changes to that constitution; the Snowy Water inquiry outcomes implementation deed; the supply of data to the Murray-Darling Basin Commission; the Murray-Darling Basin agreement and any changes to that agreement; and any other documents that the minister introducing the proposal for the sale of Snowy Hydro sees fit.

By way of background this house will know, and the community knows, that when the sale was proposed a few months ago by the New South Wales and commonwealth governments Victoria was reluctant to participate in the float. If we had not agreed at the time, we would have had no power to protect the rights of irrigators, and the protection of the environment would have been reduced, not strengthened. We know that The Nationals federally — Peter McGauran, the Minister for Agriculture, Fisheries and Forestry, in particular — and the Liberal Party supported this as well.

Opposition members were completely silent at the time. They were missing in action, and while they were

hiding out the Bracks government secured extra protections for our water rights from the New South Wales Snowy scheme as part of the process. If at that time we had stayed outside the sale process, Victoria would have had no bargaining power to secure these protections.

When did the Liberal Party and The Nationals in this state — this courageous bunch — find their voices? I recall that they found their voices on the issue on 1 June, when a number of matters were raised on the adjournment. It was quite obvious. That night I started thinking, ‘Something’s up’. The next day we heard the shock announcement by the Prime Minister that the commonwealth was withdrawing from the sale in response to community pressure. The same courageous bunch who in here had been silent throughout the era of privatisation travesties that occurred under the Kennett government — and I know about those in detail, having been a public servant and a public sector union official at the time — finally found their voices that night when they got the tip from Canberra.

In the 1990s they were going to sell off our water assets. They tried to sell them off but were stopped only by the community, which in 1999 supported the election of a Bracks government. The Liberals and Nationals cannot be trusted. We know they sold off our state’s electricity assets and resources and crippled the Latrobe Valley economy, setting the scene for what we see now — a crisis in skill shortages in electrical trades. We know that the State Electricity Commission of Victoria was responsible for training hundreds of apprentices, so we have had a whole generation of no apprentices in that important area. They also sold off our gas assets and had no plan for gas extensions to rural areas and the outer suburbs. The Liberal Party and The Nationals were completely silent at that time, but they now have the temerity to criticise our program. We are getting out there and achieving benefits for our community in those essential services.

This being an election year, Victorians should be very cautious before even thinking about trusting this mob again. They sound as though they have become born-again public sector advocates, but we know they are not. They are — —

Mr Seitz interjected.

Ms GREEN — No, they are not protectors of the public sector at all.

I would like to talk about some of the Bracks government’s achievements in the water portfolio. Over 38 billion litres of water has been returned to the Snowy

River, and we have been long-term advocates of the Snowy. Ten billion litres of water has been returned to the Thomson River, made possible by the fantastic reduction in water consumption by Melburnians, who respect water. Sixty-six billion litres of water is to be returned to rivers as part of the central region sustainable water strategy, including 20 billion litres for the Yarra.

We have passed legislation to introduce the state’s most significant water reform in 100 years by supporting farmers, providing for long-term water planning and giving the environment a legal right to water. We have set aside \$30 million to secure a pipeline for water supplies to Bendigo; and there is funding of \$42 million for innovative water and sewerage infrastructure in country towns. We have set aside \$52 million for the upgrade of the Eildon Dam wall and spillway. We have improved irrigation infrastructure and the security of the water supply in the Broken and Macalister irrigation districts, with funding of \$48 million. And \$167 million has also gone into the \$501 million Wimmera–Mallee pipeline project, which will also deliver significant water savings for the benefit of irrigators and the environment. We also have the action plan to improve the health of the Yarra River.

The runs are on the board. We are firm advocates of water, but it is important to be mindful that Snowy Hydro is not actually a water authority; instead it is a hydro-electric power company that does not have the same powers and responsibilities of a water authority. Snowy Hydro is also based in New South Wales, so it would be inappropriate for this house to make any recommendation for a constitutional change relating to an asset that is in New South Wales. It is not in Victoria, and it is not our asset.

The bill is the best way to ensure there are environmental flows for the Snowy and Murray rivers and also to ensure that irrigator entitlements receive maximum protection in the event of any future proposal to sell Snowy Hydro. This is a good bill, and it is a good day for the environment. I commend the other members who have spoken on the bill. I wish the bill a safe passage and commend it to the house.

Debate interrupted.

DISTINGUISHED VISITOR

The ACTING SPEAKER (Mr Kotsiras) — Order! I wish to acknowledge in the gallery Mr Costas Papacostas from the Parliament of Cyprus. Welcome!

Debate resumed.

Mr HONEYWOOD (Warrandyte) — When I was preparing to speak on this bill I thought to myself that it is very rare in this Parliament that we have anything to do with water on which both environmentalists and irrigators can come together as one in their support for it. When it comes to this iconic project, the Snowy Hydro, we have a situation where environmentalists are all saying it is a fantastic result for the environment that we are not selling off this incredible infrastructure project, and the irrigators who stand to utilise the water that comes from Snowy Hydro are applauding all levels of government for not proceeding to privatise this asset because they believe that in government hands the appropriate allocations of water can continue.

It is an interesting first when it comes to water policy — that you have both sides of the divide, if you like, in furious agreement. Having said that, I have to respond to my friend and colleague, with whom I share parts of the Warrandyte area — the member for Yan Yean — in correcting her recollection of what the previous Kennett government was going to do about the privatisation of water, because the hypocrisy of the government today about water privatisation is amazing. I sat around the cabinet table when a decision was made by the Kennett government that we would never — I repeat never — privatise water. We did that for a very good reason.

We looked extensively at the record of what had occurred in Great Britain, and whilst the Thatcher government had exactly the same problem we had when elected to power — a debt that was going to bankrupt their economy; and we had a bankrupt economy that people on the other side tend to forget about — we drew a line in the sand and made a cabinet decision that there would be no privatisation of water in Victoria. Members can read about that decision in 18 years. The honourable member for Yan Yean yet again has her facts wrong. We suggest she give up thinking, because when she thinks she says things that often are not true.

Yet what do we have here? A government that was more than happy to privatise water. It was in fact so determined to privatise water that it even budgeted for the privatisation of the Snowy Hydro in the state budget. Why was the Labor government prepared to do so? The answer involves a fundamental problem with Labor governments. Whenever they are elected to power they, on the one hand, employ more teachers, which is a laudable objective, although we would like to think the literacy and numeracy outcomes would improve as a result; but on the other hand they allow the education building stock to fall apart, and hence the

need for a capital injection to pay for the repair and replacement of building stock.

The education building stock has never been worse according to Professor Brian Caldwell. We have schools literally falling around teachers and students heads. The only way that this government could do a quick fix on maintenance after seven years of doing nothing, and the whole reason for the bill being before Parliament, is to build new schools. Many schools that are in disrepair are in the electorate of the member for Bass, where he has been advocating for many years for improvements to his schools, but the only way this government could do anything about a quick fix before the election was to flog off this water asset — and that was very much part and parcel of the state budget, as we know.

Therefore, it is such hypocrisy when the government says the opposition was going to be the bogeyman when in government and privatise water; yet recently it was okay for this government to do so. It is just another amazing example in the litany of Labor Party policy backflips.

The Prime Minister and his government have done the right thing by the environment. They decided to stop the two state governments from privatisation and said, ‘You are not to proceed down this philosophical pathway; you are not to proceed into flogging off this iconic asset; instead you are to stand up for the environment’. It was great to see the Howard government providing national leadership on environmental initiatives by ensuring that the state governments were not allowed to sell off their majority interest in the Snowy Hydro.

The bill is very much a stop-gap measure. It is a small bill and a bill of embarrassment because it tries to reinvent the wheel. It tries to make up for the quick fix that the government thought it would get away with.

After this bill has been pushed through both houses of Parliament, the key question will be who will pay the piper for the education facilities falling down in Victoria. How will we now fill that \$600 million black hole? The honourable member for Yan Yean, because she was so embarrassed by the legislation, went off on a tangent to talk about the Yarra River. As she would know from the public meeting that we attended together in Warrandyte last week — and we shared a podium — the 20-year plan to convert septic tanks into sewerage has now just been reannounced as another 20-year plan by the Minister for Environment. For the entire 18 years that I have been the member for the area, we have been waiting for the 20-year plan to be

implemented, and the government has just reannounced a new 20-year plan; so we will wait another 20 years for septic tanks to be converted onto the major Melbourne sewerage line.

What an indictment of this government that we have Third World sewage treatments only 20 kilometres from the Melbourne central business district, with E. coli on a daily basis flushing into our iconic Yarra River — and it would have us believe that its environment statement would fix that. There is not \$1 for my electorate for sewage to be converted from septic tanks, to stop it from leeching into the Yarra River. The highest E. coli levels are recorded in areas along the Yarra River, where septic tanks are flushing E. coli into this wonderful waterway.

For the member for Yan Yean to stand up here and say the Yarra River will be looked after by her government when she knows full well that we have had the reannouncement of another 20-year wait for sewerage to be connected to Warrandyte — which is within both our electorates as North Warrandyte is in her electorate and the area is still on septic tanks — means that the environmental statement was all window-dressing, with no genuine attempt to bring us up to First World standards rather than Third World standards.

When it comes to the Snowy Hydro corporatisation, this is a win-win for both the environment and the irrigators who rely upon it. It took the Howard federal government to go into bat for both those groups; not the Labor governments that were desperate for cash. They wanted to take the money and run, and the hypocrisy of now bringing in a piece of legislation that is all about saying, 'We got it wrong and we really were protecting the environment all along', is there for all Victorians to see.

Mr SEITZ (Keilor) — I support the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. It came about because of John Howard's wedge politics. He tried to make an agreement with New South Wales very quickly over the sale of the Snowy Hydro scheme, and then thought Victoria would finish up opposing it and fighting with New South Wales. When Johnny Howard found out that he did not succeed in that ploy of wedge politics, he pulled the plug on it.

That is the reality and that is why we have the bill before us. Let us not forget that this game was played by two parties — New South Wales and Victoria. We were dragged into reluctant participation after the commonwealth and New South Wales governments indicated that they would be selling their shares. That is the reality of it. It is a bit like the children overboard

scam and all of those types of tricks employed by the opposition's federal colleagues in Canberra.

Honourable members interjecting.

Mr SEITZ — He did not succeed this time so members should not try to defend him. However, it has given us the opportunity in Victoria to introduce legislation to ensure that the future sale of shares in the Snowy Hydro scheme will have to be approved by both houses of Parliament, which is an important step in this legislation. It gives us an opportunity to send a message to Johnny Howard and to ensure he will stop playing similar games with future governments or with his successors in Canberra, which is quite an important step.

Let us look at the history of the Snowy Hydro scheme. First of all, we were not talking about selling the water. That was one of the misconceptions peddled around everywhere. The hydro-electric scheme was being sold — but it was the electricity generation part and not the water. They did not have the right to sell the water.

Mr Honeywood interjected.

Mr SEITZ — You have both systems. The building of the hydro scheme was very dear to the people in my electorate. Those people, who are now in their 60s and 70s, were the migrants who came here as young people and worked up there building the scheme. Young men, particularly young men from the Italian, Croatian and Greek communities, went up there working. As a young kid I did not understand why the men were always away from home. They were living in the camps up there tunnelling and building the scheme. The men learnt and developed a lot of skills building the hydro-electric scheme for the organisation up there, and it was a shame that it was disbanded. At the time decisions were made and acts were passed to disband that whole complex of engineering and learning that we had built up. The community and state governments were looking to the federal government to start other projects with the skills that had been developed on that scheme.

An honourable member interjected.

Mr SEITZ — That did not happen, unfortunately. If it had we would not be short of skilled people today. However, we see the benefit of the training that took place up there, particularly within the migrant community, many of whose members then settled in the suburbs of Melbourne and Sydney and turned their skills to the building trade — whether it was constructing multistorey or other buildings, building roads or tunnelling for the sewerage system throughout

Melbourne. They were the same people who had acquired skills up on the Snowy Mountains scheme when they were tunnelling, building and constructing it. That is an important asset that has flowed on to our society and our community. We do not have a government enterprise now that can provide training and development in these types of skills, which are desperately needed.

We have a skill shortage. And what are we resorting to now? The federal government is bringing guest workers into this country. We have heard and read in the *Age* about how guest workers have been exploited by being brought out here. That is what we have got instead of the real issue being addressed and funds provided to train our own people in this country so that we are self-reliant in developing and constructing further projects that are needed in our state and our country here in Australia. That is vitally important.

If you ask anybody in the building industry, they will tell you about the shortage of skills they face today. As housing is booming, thanks to the good financial management of the Bracks government and the economic growth of Victoria, the building industry constantly has hold-ups because of a shortage of skilled personnel. That is the only thing that is stopping the faster development of Victoria, particularly in my growth area of Keilor, where a lot of new homes, subdivisions and shopping centres are going ahead. All the hold-up is about is simply having to wait for skilled labour to carry out the work.

This bill not only offers protection from future sale but also stops the rumour mongering at election times and prevents the idea being put in people's heads that Labor might be selling the Snowy Hydro scheme. When this bill is passed that part of it will be enshrined so that threat cannot be used for scaremongering during election times. The Liberal Party and The Nationals were very quiet on the issue at the time Howard was proposing to sell Snowy Hydro. Nobody opposed it, and they all supported it.

Mr Smith interjected.

Mr SEITZ — Everybody kept quiet at the time; now we are hearing all the noise being made. The members of the Victorian opposition were missing. They stayed quiet at the time this was raging. I did not see any of their signatures on the letters to Johnny Howard to stop the sale. None of the guys from the opposition here signed it.

Mr Smith — Did you sign it, George?

Mr SEITZ — The government has secured extra protection for our water rights from the New South Wales Snowy scheme as part of the sale process.

Mr Smith — Did you sign it, George?

Mr SEITZ — At the time I did not have to, because I had other means of talking about my issues on that.

We have also proposed that when considering any future sale the Victorian Parliament will be provided with copies of relevant documents, including any agreements that deal with water flows; the New South Wales Snowy water licence and any changes to the licence; the constitution of the company and any changes to that constitution; the Snowy Water Inquiry Outcomes Implementation Deed; the supply of data to the Murray-Darling Basin Commission; the Murray-Darling Basin Agreement and any changes to that agreement; and any other documents as the minister introducing the proposal for the sale of Snowy Hydro sees fit.

The existing arrangements agreed at the time of the corporatisation of the Snowy Mountains Hydro-Electric Authority already provide significant protection for Victoria's water rights and interests. That is the important part that we have to consider, because that is a reality, no matter which side of the house you are on. Water is the prime commodity in Australia, and in Victoria particularly. If we are going to prosper and if this state is to develop, whether it be in industry or in agriculture or viticulture, we need water. It is a scarce commodity, and it has taken the Bracks government to realise that and instigate education of the community and society on the scarcity of water and the need for us to conserve and save water. It is not an endless commodity, because we are living on a continent that has a shortage of rainfall and a shortage of water. We have long periods of drought. There are usually 7 to 14-year cycles. Once the drought cycle starts, we can have droughts for seven years and then it will be another seven years before any real rain starts building up. That has been my experience since I have been here.

Look at Lake Eppalock. After that was built it took so many years to fill up. It took 10 years to fill up. A forecaster said that it actually filled up before it was expected to. It was anticipated that there would be a wait of 14 years for it to fill up and be used. We have to realise that it is important to the Australian way of life to have water not only stored but for environmental flows. This government initiated the move to have extra water flows down the Snowy River, a step for which credit is due to the Bracks government. Of course

having extra flows coming down the Snowy was done with the assistance and cooperation of other states. That is an important issue that we need to consider for the future.

Long after I am gone people in parliaments will once again consider trying to sell off the Snowy Hydro for a quick fix in somebody's budget, but I do not believe today's society or future societies will allow the sale of that icon of the Australian community. I am sure that in 10 or 20 years time the Snowy will be hailed and recognised as the greatest achievement in Australia. The Snowy Mountains scheme was developed in the days when we did not have hydraulic machinery, when blasting powder was used most of the time, as well as hand drills and jackhammers, and people worked hard. If you talk to the people from my electorate who worked on that scheme, they will tell you that working on that project was the greatest achievement they have seen in their lifetime. I commend the bill to the house and wish it a speedy passage.

The ACTING SPEAKER (Mr Kotsiras) — Order! Before I call the member for Mornington, I understand that last Tuesday the member for Keilor had managed to serve 25 years in the Parliament.

Mr Seitz — I cannot hear you.

The ACTING SPEAKER (Mr Kotsiras) — Order! I understand the member has served 25 years in the Parliament.

Mr COOPER (Mornington) — I am not sure whether that is a matter for celebration or for crying! Nevertheless, we will take it as a celebratory matter.

Honourable members interjecting.

Mr Batchelor interjected.

Mr COOPER — The Leader of the House says that it is a wonderful event, and my breath is taken away by that remark as well. Nevertheless, I will move on to the bill.

I will say right from the outset that, along with my colleagues in the Liberal Party, I will not be opposing the bill, and we will also be supporting the amendments of The Nationals. I note that in his — for want of a better word — speech the member for Keilor said that this is all the fault of John Howard. You really have to ask what planet he has been living on to say that. Here we have a situation where Snowy Hydro Ltd is 50 per cent owned by the New South Wales government, 29 per cent owned by the Victorian government and 13 per cent owned by the federal government, and

suddenly the finger of blame for the decision to sell Snowy Hydro is pointed at John Howard and the federal government.

The reality is, as we all know, that the New South Wales government took the initiative to sell Snowy Hydro because it had — and still has — a huge black hole in its budget and needed the money. That is why they pushed it along — and they were aided, abetted and enthusiastically supported by the Bracks government. The Bracks government cannot now rewrite history and say it was a reluctant suitor, that it was reluctantly brought along because everybody else was going to sell and therefore it just had to go along with it all. You only have to go back to March in this house and read the answer given by the Premier to a question about Snowy Hydro that was asked by the member for Yuroke. In a long and rambling answer the Premier praised the actions that were being taken by the three governments and said it was a fantastic initiative. Among other things he said that in Victoria's case all the money would be reinvested both in the environment and the Snowy River and in school buildings and maintenance throughout the state.

Then we saw the budget produced in this house and the Treasurer stated quite categorically that the \$600 million that was to be generated by the sale of Snowy Hydro would be going into Victoria's education system. Only two days later the sale collapsed and the budget of the Bracks government was left with a huge black hole. No doubt the budget of the New South Wales government was left with an even larger black hole because it is in desperate financial trouble up in New South Wales — but that is its problem. What we are dealing with now is the backwash from all of that.

We have heard the Premier in this place talking about what a fantastic deal it would have been. At a Public Accounts and Estimates Committee hearing the Premier talked about what a fabulous deal it would have been. He talked about the dividends that would have flowed to Victoria from the sale. When questioned about that by members of that committee, he said, 'Go and read the prospectus, because that is what the prospectus will show you'. Since that time we on this side of the house have been trying to get hold of that prospectus. We have been asking the Premier to produce the prospectus. The Treasurer has said they were all pulped. I hope the Treasurer did not mean what he said when he said all of the documents had been pulped, because that would mean the government has actually pulped its files on the Snowy Hydro deal.

We are assuming that, because of the way he has answered the questions, the Premier has seen and read

the prospectus and therefore has been telling the truth to this house and to the Public Accounts and Estimates Committee about the contents of the prospectus. That is why we would like to have a look at the prospectus. The Premier has now been asked on several occasions to produce that prospectus so that we, the media and the rest of Victoria — those who are interested — can have a look at the document.

So far the Premier has ducked, weaved, bobbed and tried to avoid dealing with the question, let alone dealing with the initiative of producing the prospectus. We know exactly why he is bobbing and weaving on this issue; and the media knows why he is bobbing and weaving on this issue. It is because the document that the Premier said we should look at and from which he said he had quoted does not in fact exist and never has existed. The Premier has misled this house and he has misled the Public Accounts and Estimates Committee, and he deserves to be brought to account on that matter.

We again in this debate pose the question to the government, and in particular to the Premier of this state: produce the prospectus, produce the document that the Premier has quoted from, produce the evidence the Premier has said will support the statements that he had made. We want to see that document, and we demand that the Premier produces it. If the Premier can produce a copy of the prospectus, then I will apologise to him for making the allegation that I have made today that he has misled the house. I can tell members right now that I do not think for one moment that I will be called upon to make that apology because I know, the media knows and anybody else who has taken any modicum of interest in this issue knows that the Premier has never seen this prospectus, has never been able to quote from it because it has in fact never existed — and he has misled the house.

I will talk for a few moments about the matters raised in the debate by various speakers. I note that the member for Yan Yean was obviously quoting from a script that has been supplied to all backbenchers on the government's side when she made accusations about the fact that the Kennett government would have privatised water. The Kennett government was never going to privatise water. The Kennett government made a statement back in 1996 and 1997 that it would not be privatising water, that it was not on its agenda and never would be. Yet we still have the Labor Party trying to rewrite history, still trying to produce the spin and support the lie — and it is a lie — to make the claim that the Kennett government had intended to privatise water. It did not. It never had any such intentions and it is simply irresponsible, wrong and

untruthful for any member of the government side to be making such claims.

I will also talk about what the government was intending to put its money towards, which is school maintenance and buildings throughout the state. I want to remind the house, as other members on this side have, that in 1992 when the Kennett government came to office the Auditor-General exposed the fact that there was a \$670 million black hole in school maintenance in Victoria. The Auditor-General's figures in 1999 at the time the Kennett government left office was that the school maintenance backlog was \$130 million. It had been wound back by \$540 million in seven years by the Kennett government. In the seven years — Acting Speaker, I know that you are really interested in this and that is why you are paying me such close attention — since the Bracks government came to power, the black hole of school maintenance has gone out from \$130 million to \$250 million.

So we are seeing again with this Labor government that it will not spend money on school maintenance. It is happy to leave schools to fall apart and then blame somebody else. No doubt, if the member for Keilor has his way, he will blame Prime Minister John Howard for the school maintenance blow-out as well as for the proposed sale of Snowy Hydro. Perhaps the member for Ripon will too, because he is always happy to perpetuate a lie and an untruth. While we support this bill and the amendments, we have some questions for this government, particularly for the Premier, and we would like some answers to them.

Mr HOWARD (Ballarat East) — I am pleased to also speak on the Snowy Hydro Corporatisation (Parliamentary Approval) Bill. It is amazing that every time somebody from the other side of the house speaks they get the story wrong yet again. Let us go over the history of this process one more time, because it is very clear.

The New South Wales state government, the largest shareholder in Snowy Hydro Ltd, was clearly the initiator of the concept of selling it. However, before the state government agreed, it was clear that the federal government had agreed with the New South Wales government and that it was prepared to sell its share as part of that. That was supported by the federal Minister for Agriculture, Fisheries and Forestry, Peter McGauran of The Nationals, it was supported by the federal Treasurer, Peter Costello, and it was supported by the Liberal Party nationally and The Nationals nationally. At no stage did the state Nationals or Liberals say, 'No, this is the wrong thing'. At no stage did they argue against it when the Bracks government

determined that in the interests of the asset value of the portion of the Snowy Hydro held by Victoria it would be inappropriate to keep it while the rest of the Snowy Hydro was sold. In terms of maintaining Victoria's asset value the state government agreed to the privatisation, but it is very clear that at no time ahead of that stage did the state promote the concept.

Clearly the government does not have a privatisation agenda. We came to government in 1999 because the people of Victoria saw that the former Liberal-National coalition had sold off much off this state and said that privatisations were not the way they wanted to go. We do not want to see more of what happened with the sale of the State Electricity Commission of Victoria and the Gas and Fuel Corporation. As part of the Public First movement at the time I stood with many other Victorians in saying that we did not think there was any sense in selling off our assets and then having to rent them back from corporate companies for years to come. We have also seen the rail network across the state being sold off under the former government, and we keep learning about the problems that has brought us. When we have tried to plan rail upgrades across the state the fact that the rail network is no longer solely in the hands of the state government and in state control has presented all sorts of challenges.

The people of Victoria have never been comfortable with privatisations. Why was the sale of Snowy Hydro stopped after the federal government had agreed to go ahead? It was because Prime Minister John Howard and the rest of the federal government saw the opportunity to put the New South Wales government into difficulty, and perhaps John Howard also recognised that he was going to have trouble with his own Senate, where the Queensland Nationals might have thwarted it. The Victorian Nationals were nowhere to be seen in opposing this, nor was the Victorian Liberal Party.

This government is perfectly happy with the outcome. As we know, the Bracks government has put the state in a sound financial position, so neither the sale nor the non-sale of the Snowy are of consequence to it. It is simply a matter of protecting Victoria's assets. We said we were going to put the money from the Snowy Hydro sale, if it had gone ahead, into schools. There has been some great work done in school development. Money has been put into schools across my electorate since 1999. I think of the brand-new Napoleons Primary School, the completion of the Ballan Primary School, the works that are happening to complete the Mount Pleasant Primary School and the Creswick Primary School, and the new school at Tilden. So many of the schools across my electorate have seen great work

being done, and the people are very pleased. They also saw the opportunity for further funding to be put towards upgrading our schools, which is very important, as a result of this process. So perhaps some good came out of it.

The state government has through this process recognised the importance of the water issues associated with the Snowy and has used its position to ensure the environmental flows for the Snowy and the allocation of water for the irrigation purposes of our farmers are protected. This legislation is now a means of ensuring that they are further enshrined. It will ensure that any future sale of the Snowy Hydro will not go ahead without the agreement of both houses, and before any such discussion in these houses all the relevant documentation on the water rights of irrigators, environmental flows and the Murray-Darling Basin Authority will come before the houses. We will ensure that if both houses are ever to look at this issue again, they will know that these issues were protected.

The state government is through this legislation prescribing what the people of Victoria believe to be the best way of going about this issue. As I said, if the Snowy were ever to be sold in the future, it would have to be agreed to by both houses of Parliament — that is, the representatives of the people of Victoria — and issues concerning water management would have to be adhered to in the sale. That is the bottom line issue which has caused so much emotion. Selling electrical generation capacity is something that people across the state have now been softened to accept, but water issues are something that people hold as sacrosanct. We need to ensure that there is no corporate authority controlling water flows down the Murray or Snowy River into our irrigation areas. As much as it can while recognising that the New South Wales government and the federal government have rights in regard to water planning issues, the Victorian government must ensure that we always get the best deal to protect the interests of the people of Victoria. That is why the people of Victoria believe state assets of such importance should remain in state hands and be managed in that way. As we have said time and again, if the other 75 per cent of the asset had been sold off, the value of our 25 per cent would have been lost to the people of Victoria.

An honourable member interjected.

Mr HOWARD — When you are the smallest shareholder you have to work with the others while making sure you get the best deal for your state. As a 25 per cent shareholder you know you are not the major shareholder and you have to act accordingly. On all points this government has a great record in trying to

ensure future water supply for the people of this state. We are the government which has financed the Wimmera–Mallee pipeline scheme. We are the government which has supported so many other projects to ensure the protection of the flows into the Murray River, that we do not waste water in the future and that we get the best value out of irrigation, and we will continue to do that as a government.

Mr RYAN (Leader of The Nationals) — It is a pleasure to join the debate on this bill. I will not do this formally, but I must say that I think the name of this bill should be amended to read ‘Snowy Hydro Corporatisation (Parliamentary Approval) Labor Hoist On Its Own Petard Bill’, because that is what has happened here. I will come back to this in that context in a moment.

We have already seen once today what happens when Labor’s bluff is called, and that is what the content of this legislation is about. Only a little while ago during question time a minister was happy to stand up — and the government of the day basically controls what happens during question time — wave The Nationals environment policy in the air and try to score cheap political points. He was happy to make comments and do all of that, but when he was put to the jump and asked to incorporate the policy into the most public record in Victoria, *Hansard*, his response was, ‘Not on your nelly!’. He made a quick backtrack; he would not have a bar of it when his bluff was called. He was hoist on his own petard, and we have the same situation happening with this piece of legislation.

Let us look at some of these historical factors that the Labor Party seems to delight in. The first is the former government was never going to privatise water. How do we know that to be the case? Because in an era when there were a lot of privatisations undertaken, water was never privatised. There was the capacity to do it, but it was never done. Other things were being privatised, but water was never privatised. Water was never part of the privatisation program.

The second is that it is really interesting to hear Labor rewriting history over the whole issue of privatisation anyway. It privatised Qantas when it said it would never do it; it privatised the Commonwealth Bank when it said it would never do it. In the course of this debate, because Labor thinks it is served by making a cheap point, it runs this sort of line again. In fact it was not the case at all. Historically the fact is that water was never going to be part of the privatisation program of the former government. Not satisfied with those facts, this government decided to build on its own rhetoric two or three years ago when it made constitutional

amendments. It went out there with enormous song and dance and said it was going to make certain that the interests of Victorians in water-related assets in this state were never going to be able to be sold and privatised. Our interests would be enshrined in the constitution, it said, which would guarantee therefore that none of these nasty privatisation initiatives would ever be undertaken. That is the essence of what it said.

What did Labor leave out? It left out the Snowy Hydro interests. It left out a 28 per cent interest in this magnificent facility; it decided to exclude it from the constitutional amendment. It was out there swearing blind it would never sell these assets — no way in the world would it ever sell these assets. It went to the public before the last election saying it would not sell these assets. What happens? At the first opportunity and the promise of making a quick quid that was prospectively going to drop out of the sky in its favour when New South Wales was doing what Labor parties do best, and that is going broke, it tagged onto New South Wales’s coat-tails. It said it would sell because there was a quick \$600 million plus available for the Labor Party. But that was completely in the face of the promise in relation to which it had sworn blind to the people of Victoria that it would never undertake that course of action. It got caught absolutely.

It not only broke the promise and agreed to sell — that in itself is bad enough — but the notion of the nasty privatisation issue is now readily accepted by the state Labor government of Victoria as being appropriate in all the circumstances of the future of Snowy Hydro. Is it any wonder that country Victorians simply do not trust this crew? Is it any wonder that they listen to the ongoing rhetoric from the Labor Party about these issues and no longer accept it?

I have heard the commentary as this debate has unfolded about the fact that Snowy Hydro is not a fair dinkum water authority in the sense of those that were intended to be protected by the constitutional change two or three years ago. This is different, it is said. What a lot of hogwash! Our shareholding is a very substantial asset owned by Victorians in a facility which geographically happens to be located across the border but nevertheless is held by Victorians in this state. What difference does it make as to where the actual physical asset itself is located? The crucial fact is that this is very much a water-related asset owned by Victorians and ought properly to be protected.

Our amendments, which have been circulated by the member for Swan Hill, who in his inimitable fashion spoke so ably to them and the bill itself, do no more than what the Labor government did in the course of its

amendments to the constitution two or three years ago. It is the same sort of process. The amendments include a change to the definition of 'authority' to bring into the constitution the interests that are held in Snowy Hydro, so those interests equate, if you like, to the water authorities which are already referred to in the previous legislation.

There is no problem with that. By virtue of the amendments that have been circulated by the member for Swan Hill, the apparent impediment that Labor members keep talking about is removed in one fell swoop; it is gone. It is not an issue any longer. We have simply, by these amendments, equated these interests in Snowy Hydro with the interests held in the water authorities. Put that issue aside, and if you do, why would it be that the Labor Party would not agree to this? Why would it not do that? These amendments have been drawn by parliamentary counsel on the basis of achieving the result which we have stipulated — that is, to provide constitutional protection for these interests. Therefore we believe with a fair deal of entitlement that they will work. They have been drawn by parliamentary counsel to accommodate the needs we have set out today. Why would a Labor government not support them? Why would not every member of this Parliament who is concerned about Victoria's interests in Snowy Hydro not support these amendments?

If Labor now decides it is going to reject these amendments, what is the clear implication that people are entitled to draw? I say in response to that rhetorical question that the clear implication to be drawn is that at first chance, whenever it gets the opportunity, it will go down this road again. Nobody should be conned by the notion that a simple majority vote in the two houses is going to be sufficient to do what needs to be done to protect Victoria's interests. I am sure no-one is conned by that. The Labor Party presently has the numbers in both chambers. With the dynamics of politics these days there is nothing at all to say that the same situation will not apply next time around. That is a prospect. The way to guarantee that there is no prospect of Victoria's interests being sold is to accept the amendments The Nationals have circulated to enshrine this interest in the constitution along with those other interests owned by Victorians in our water assets and make certain therefore that we require a three-fifths majority in both houses before any such sale could occur. What is wrong with the Labor Party supporting that and making sure therefore that these assets are protected ever after?

I commend these amendments to the house. I expect that Labor will support them, because as a matter of sheer commonsense and appropriate legislative construction they serve the purpose of protecting our

interests in precisely the same way as other interests in water assets in the state have been protected by this government and in a manner which has been supported by all members of this house. For that reason I urge everybody to vote in favour of these amendments, and I wish them a very speedy passage.

Mr SMITH (Bass) — I feel compelled today to get up and speak on the Snowy Hydro Corporatisation (Parliamentary Approval) Bill because since I have been moved to the front bench I have also been allocated time during which I have to sit at the table. Having to sit and listen to some of the hypocrites on the other side of the chamber and hear the things they have said in trying to rewrite history, I felt that I had to get up and say a few words and see if I can put history back in the place where it should be.

I could not believe some of the things that the members for Morwell, Narracan and Yan Yean, and more recently the member for Ballarat East, had to say in trying to rewrite history. Let me put it quite clearly: we were never in a position where we were going to sell off the water of the state of Victoria. I can remember sitting through the debates that went on regarding privatisation. I can remember the arguments that were put forward by members of the Labor Party at the time about how awful privatisation was. They said, 'This is awful, you cannot do this sort of stuff. You cannot sell off electricity, public transport or gas', or any of the other things that were sold off. None of them ever asked, 'Why is all this privatisation coming about?'. The truth of the matter was that it came about because we as a government inherited a huge debt that had been left by the Cain and Kirner governments. Billions of dollars in debt had been left behind, and there was no choice; there was no opportunity to do anything other than actually sell off things.

Righto, my philosophy is that the private sector can do it better — —

The ACTING SPEAKER (Ms Lindell) — Order! The member for Bass on the bill.

Mr SMITH — Yes. I am only repeating some of the things these people have said.

The ACTING SPEAKER (Ms Lindell) — Order! When I am in the chair the debate on the second reading will be restricted to the bill.

Mr SMITH — Okay, you are in the chair, so that is fine.

We are talking about the privatisation that these people have tried to foist on the people of Victoria. They never

came back to debate it; it was not going to be brought before the house; there was not going to be any discussion; there was going to be a prospectus. Was there one issued or was there not? The Premier said yes; the Treasurer said they had pulped it. One would have to ask what was actually going on.

The one thing we do know about what was going on is that we were not going to be part of the picture. This Parliament was not going to be part of the story. The sale of Snowy Hydro was not going to be brought back here and it was not going to be discussed. It was just going to be sold off because New South Wales had financial problems and people on the other side of this house were looking for \$600 million to try and pay off some of the maintenance backlog in education, so they were happy. John Howard, God bless him, who only had 13 per cent, made the decision that it was not going to be sold off. He would not allow it to happen. All of a sudden Victoria and New South Wales were in a position where they had no choice other than to say, 'We will not be part of the deal'.

This government has financial problems now, and this is all part of what the \$600 million was about — it was about trying to pay off some of the maintenance backlog in the schools. The government had spent it; it was in its budget.

An honourable member interjected.

Mr SMITH — How many times is it mentioned in the budget that you needed \$600 million from the Snowy Hydro sell-off to pay for maintenance in schools?

An honourable member interjected.

Mr SMITH — It was said, and I am more than happy to sit down with you and go through the budget and point it out to you. Time and again it was said that \$600 million was going to go into schools. The government allocated money in the budget to go to schools out of the \$600 million it did not get.

The truth of the matter is that we are in a position where we are now debating a bill to protect an iconic asset of Australia. That is what we are doing, and The Nationals have come up with amendments that we support. We do not have a hassle with supporting those amendments. That is fine; let's protect the asset. Members on this side of the house, the Liberals and The Nationals, never at any stage when in government proposed selling off water. Not once did we propose selling off water! The truth of the matter is that even though electricity was sold off — and electricity is part of this, because we are talking about hydro power — it

was only a couple of days ago that we had the Treasurer and the Premier standing up and saying, 'We have the cheapest power in Australia here in Victoria'. You have to ask why. It is because it is in private hands and because there is competition out in the marketplace that prices have been kept down to where they should be — the cheapest in Australia.

Mr Jenkins interjected.

The ACTING SPEAKER (Ms Lindell) — Order! The member for Morwell has had his opportunity to contribute to the debate.

Mr SMITH — It was not much good when he did, but he did have that opportunity. I can say that quite honestly, and the member for Narracan was the same.

Let us just wind up this debate. It is nice to be the last speaker on this bill, because we can get the last word in. The truth of the matter is that we are happy to support this legislation. It should never ever have been proposed that Snowy Hydro be sold off. If there was going to be discussion, it should have come back into this house before there was even the thought of selling it off, but members of the government did not have the guts to do that, because they knew we would have rejected it as hard as we could and it would have put the public focus on them.

We are more than happy to support the legislation and the amendments that have been proposed by the member for Swan Hill. We will protect this icon, which is more than this government was going to do. It was going to sell it off under the cover of darkness.

Honourable members interjecting.

Mr SMITH — You were going to get rid of one of our icons, and that was going to be an absolute disgrace!

In conclusion, it is nice to get an opportunity to stand up, to have a go at the hypocrites on the other side of the chamber and to support this piece of legislation.

Debate adjourned on motion of Mr BATCHELOR (Minister for Transport).

Debate adjourned until later this day.

TRANSPORT (TAXI-CAB ACCREDITATION AND OTHER AMENDMENTS) BILL

Second reading

Mr BATCHELOR (Minister for Transport) — I move:

That this bill be now read a second time.

This bill is major step in the government's ongoing commitment to improve Victoria's taxi services.

Taxi industry accreditation

Taxi services play a vital role in Victoria's social and economic life. There are some 32 million taxi trips per year in Victoria. Taxis are a major part of the general mix of public transport within metropolitan Melbourne and perform a unique role in regional Victoria. They take people to and from business meetings as well as our major events. They ferry people to and from the airport for business trips or holidays. They enable people to travel home from social functions in a way that is safe for themselves and other road users. For people with disabilities and the elderly, taxis offer a level of mobility and access not always readily available elsewhere. Tourists and visitors to our state are also particularly dependent on taxi services and their perception of Victoria and enjoyment of their stay can be significantly affected by the quality of service they receive.

Victorians therefore deserve and expect safe, reliable and efficient taxi services. They need to have confidence in the professionalism of the taxi industry to provide a level of service that meets this expectation. The government recognises this and is determined to increase the professionalism of the industry and help it improve service levels. The government believes that a modern, performance-based approach to regulation is crucial and that taxi industry accreditation is a key means of achieving this.

In 2002 the government announced a reform program for the taxi and hire car industries, containing 17 initiatives. Since then the government has been progressively introducing these initiatives. For taxis, they have included:

600 new 'green top' peak service taxicab licences to be issued over six years to ensure more taxis are available at night; 300 of these are in place and a further 100 are being issued during the second half of 2006;

a new training course for drivers;

a new charter to explain the rights and obligations of taxi passengers and drivers; and

new regulations to ensure greater transparency in the trading of taxi licences by requiring brokers to be licensed by the Bendigo Stock Exchange and for licence trades to be reported to that exchange (Transport (Taxi-cab Licences — Market and Trading) Regulations 2005).

The last remaining major item of the reform program is taxi industry accreditation.

The government's recently announced blueprint for shaping Victoria's transport system, *Meeting Our Transport Challenges*, emphasises the importance of Victoria's taxi industry 'in supporting the livability of Melbourne and provincial Victoria'. It reiterates the need to:

... establish a new accreditation regime for the taxi industry that will include strict standards and accountability measures to ensure taxi services meet the expectations of the Victorian travelling public. (page 62)

The major purpose of this bill is to introduce such a taxi accreditation regime into the Transport Act 1983. In developing the proposal there has been very substantial stakeholder consultation through the National Competition Reforms Implementation (Taxi) Working Party, ably chaired by my colleague the honourable member for Brunswick.

The current regulatory framework of the taxi industry in the Transport Act has remained fundamentally unchanged for well over 20 years. During this time there have been major changes in the taxi industry itself, in public transport at large and in regulatory theory and practice. The existing taxi regulation has not kept pace with all these changes. As a result it is outdated, overly prescriptive and inadequate at a time when there is an increasing focus on safety and service issues. It fails to identify clearly the key parties or individuals who are involved in providing the service and fails to make them accountable for their role.

Accordingly, it is currently unclear who has responsibility for the various elements of taxi service provision. A prime example of this is the almost total silence in the existing legislation about the role of taxi depots. In practice, depots have a pivotal part to play in service delivery: all taxi operators are required to be affiliated with a depot; depots receive bookings from the public; depots dispatch drivers and are able to discipline them; depots receive and handle customer complaints. Yet there are no specific accountabilities or

responsibilities on depots at all in the Transport Act. Hence, despite the importance of depots, there is no means for the regulator systematically to monitor and, where required, intervene in the performance of depots to help ensure the adequate delivery of taxi services.

Driver disciplinary proceedings are an example of where the absence of any regulatory control over depots has led to particular concerns. Depots are in a position to withhold bookings from a driver for a period in situations where the depot alleges misbehaviour or contravention of depot rules by the driver. During this period of suspension the driver, and taxi operator, suffer a significant and irretrievable reduction in earning opportunities. In these cases the depot typically holds a subsequent hearing into the driver's alleged misbehaviour. Nevertheless, the rules and conduct of these proceedings are entirely under the control of the depot. The government considers that it is reasonable that all depots meet basic standards of natural justice for disciplinary hearings. For example, drivers should be able to have a representative with them should they so wish. To make this requirement, however, requires depots being recognised in the legislation and the power to impose standards on them.

The bill will address these inadequacies in the current legislation by introducing modern regulation to the industry. In regulating the operation of taxi services there will be a clear distinction between:

- regulation of the number of taxis; and
- regulation of business and service standards and of the probity and professionalism of persons providing services.

Existing taxi licences will, of course, be retained but their role would be restricted purely to defining the scope of operation for individual taxis and the economic regulation of the supply of taxi licences. Operation of a taxi would still require a taxi with a taxicab licence; hence it is expected that the value of existing, tradeable taxicab licences will not be materially affected by these reforms.

On the other hand, current provisions relating to the suitability of licence-holders and operators and to the provision of customer service will be transferred to the new accreditation scheme where they will be clarified and, where necessary, strengthened. Thus, there will not be a duplication of existing regulation but instead, in line with best practice, there will be a clear separation of regulation based on need and purpose. In this context I note that taxi industry accreditation schemes already exist in New South Wales, Queensland, South Australia

and the Australian Capital Territory. Each of these jurisdictions also has a taxicab licence scheme to regulate taxi licence numbers.

The accreditation scheme will explicitly identify the activities associated with the key roles involved in the delivery of taxi services. These key roles are:

- taxicab licence holders;
- taxicab licence operators; and
- providers of taxicab network services.

Providers of taxi network services are taxi depots as well as secondary networks — these are less formal arrangements among some operators and drivers for the receipt and dispatch of taxi bookings. It should be noted that taxicab drivers will be covered under the separate passenger vehicle driver accreditation scheme.

A person who wants to undertake one of these industry roles will be required to be accredited to perform the activities associated with that role. The accreditation will reflect their role in the taxi industry 'chain of responsibility' for the delivery of safe, reliable and efficient taxi services. For example, persons who currently operate taxi depots would require accreditation to undertake such activities as:

- receiving and dispatching bookings for hiring taxis;
- providing a central communications system for taxis; and
- maintaining a system for receiving and handling customer complaints relating to the hiring of taxis.

It will be an offence to undertake these activities without the appropriate accreditation.

The government wants to send a clear message about the need for increased professionalism in the taxi industry and about who it considers fit and proper to participate in it. The bill sets firm standards in the interests of protecting the public from systematic criminal activity, violence and fraud in the industry. For example, persons with the worst criminal history, involving crimes such as murder, rape and terrorism, predatory sexual offences against children and serious fraud and drug offences, will be automatically excluded from accreditation as taxi operators or providers of taxicab network services, subject to appeal to VCAT.

The bill makes provision for the setting of business and service standards. Where business and service standards are made, accredited persons will be required to demonstrate ongoing compliance with the standards

appropriate to the activities they are accredited to perform in the industry. The bill lists a range of matters about which business and service standards can be made. They include:

- safety of taxicab drivers, customers and members of the public;
- compliance with applicable legislation;
- business capability;
- information and records management;
- financial viability;
- education and training;
- customer service, including, for example, availability and performance of wheelchair-accessible taxis; and
- complaint handling processes.

The intention is that standards would be largely performance based and specifically targeted in order to avoid unnecessary regulatory burden.

The bill provides for the business and service standards to be made by the minister by gazette notice. This will enable the minister to respond with appropriate speed to industry issues as they arise. At the same time it is recognised that there must be adequate consultation with relevant agencies, industry and the general public. Hence, the bill will require the minister to make any proposed standards available for public comment for a period of at least 28 days and to consider all comments provided in that time before making a final determination.

A suitable range of disciplinary actions needs to be available to the regulator if there is to be an effective and proportionate response to problems with industry participants. Under current legislation, non-criminal sanctions are limited to suspension or revocation of a taxicab licence. This provides no flexibility to the regulator. The bill contains a graduated hierarchy of disciplinary actions. These range from reprimands and imposition of conditions on accreditation, through directions to undertake particular training, to suspension and cancellation of accreditation. There is also provision for improvement notices in particular circumstances.

The cost of the accreditation scheme is expected to be modest and the major benefits of the scheme are expected to include:

Higher quality customer service — taxi operators, depots, and secondary networks will be required to keep records of, and report on, service standards. It is expected that, through benchmarking, those standards will improve over time. By enabling particular standards to be made, customer service in specific areas will be able to be monitored and improved. An example of this would be standards about the availability and responsiveness of wheelchair-accessible taxis.

Improved compliance — by clarifying the major obligations and the taxi industry chain of responsibility, consolidating requirements, and through promotion of accreditation requirements it is expected that the industry will better understand its obligations and hence compliance with existing and new requirements should increase.

Better future planning for the taxi industry — accreditation will require the industry to collect and provide service quality and other data; this information will allow better informed decisions to be made on matters such as taxicab licence numbers, fares and future service requirements.

Improved treatment of taxicab drivers — by ensuring depots and secondary networks are accredited, taxicab drivers will benefit from improved review and disciplinary procedures, which should provide for fairer and better treatment for drivers, and in turn should further promote better services for customers.

Other measures

Graduated penalties

The bill will also enable the graduated penalty scheme for ticket and transport offences to be modified to provide for Victoria Police to return to issuing ticket and transport infringement notices 'on the spot'.

Once appropriate regulations are made, ticket and transport infringement notices issued by Victoria Police will be issued at a single penalty level.

Amendments to Transport Legislation (Further Amendment) Act 2006

The bill also makes minor amendments to the Transport Legislation (Further Amendment) Act 2006 and to provisions of the Transport Act inserted by that amending act.

Conclusion

This bill represents both a completion of the major 2002 round of taxi reforms and the beginning of further industry improvement and reform. The government will continue to introduce improvements designed to deliver better taxi services to Victorians. A number of these initiatives are outlined in the *Meeting Our Transport Challenges* statement. A further example is the government's recently announced package of measures to address the financial hardship faced by many taxi operators in provincial Victoria and to ensure that regional communities continue to enjoy the benefit of a local taxi service.

At the same time the government will work towards a new legislative framework for the regulation of taxi services as part of a broader review of the Transport Act and associated transport legislation. This would build on the modern performance and process-based approach to accreditation contained in this bill. Discussions have been held with the taxi and hire car industries in recent years about these possible future legislative improvements. The industry has indicated broad support for these directions. These discussions will continue.

This bill is the most significant legislative change to taxi regulation in the last 20 years. It demonstrates the government's ongoing determination to pursue best practice reform to further improve public transport service safety and quality.

I commend the bill to the house.

Debate adjourned on motion of Mr SMITH (Bass).

Debate adjourned until Thursday, 3 August.

OWNERS CORPORATIONS BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

In 1988, when the Subdivision Act was passed to govern the operations of bodies corporate, there were approximately 35 000 bodies corporate in Victoria in which 200 000 people lived and worked. Most were small suburban apartment blocks of between two and six units. Even a brief examination of the changing number and range of bodies corporate reveals that there has been a profound social transformation in the way Victorians live and work over the past two decades.

Today there are more than 65 000 bodies corporate in Victoria, incorporating over 480 000 lots. It is estimated that at least 1 million people, or approximately 20 per cent of all Victorians, own, live or work in bodies corporate. We have seen the rise of large multistorey apartment developments. While bodies corporate with less than five lots account for around 30 per cent of the total number of bodies corporate, those consisting of more than 100 lots now represent a quarter of all lots in Victoria. These different sets of numbers indicate two significant developments since 1988. Firstly, there has been an enormous increase in the number of Victorians living and working in bodies corporate. Secondly, the average body corporate is growing in size, with more lots per body corporate.

In 1988, a much larger proportion of bodies corporate were under five lots, and were self-managed. A one-size-fits-all approach was adopted under the Subdivision Act and regulations, with the relatively minimal regulatory framework encouraging informal dispute resolution. However, the days when 'body corporate' only meant granny flats or small blocks of four or five flats are long gone.

Increasingly, bodies corporate are complex entities. Growing numbers of high-rise apartment buildings present a new set of policy challenges. These challenges increase when we consider the mix of uses for bodies corporate, which can relate to common property owned by residential, commercial, or industrial interests. Apart from the flats, units and apartments that first come to mind with the words 'body corporate', office blocks, hotels, retirement villages and farms can all belong to a body corporate.

This range gives some idea of why the existing regulatory regime, built for a different, simpler era, is no longer appropriate to contemporary needs. The primary challenge for the government in reforming the law in this area is to keep regulation to the minimum necessary to guide and support the operations of bodies corporate, while at the same time keeping pace with the increasingly complex and sophisticated body corporate environment.

It is against this background that the former Minister for Consumer Affairs, Mr John Lenders, a member for Waverley Province, announced a review of body corporate law in September 2003. The review process, ably led by a member for Koonung Province, Ms Helen Buckingham, included the release of an issues paper in October 2003 and a future directions paper in March 2004. Over 200 public submissions were received in response to these papers. The release of an exposure draft of the new legislation in December 2005

to accompany the final report of the body corporate review resulted in approximately 100 further submissions.

This process, which has proceeded in tandem with a significant number of stakeholder consultation meetings, has been immensely helpful in identifying the major issues affecting bodies corporate. The main themes emerging from the review process are the need for better access to dispute resolution, clearer rights, duties and responsibilities of members and the body corporate, and sufficient powers and flexibility to enable bodies corporate and body corporate committees to operate effectively. Most submissions also highlighted the need for improved financial management and protection of body corporate funds, long-term maintenance planning and the promotion of more professional standards in the body corporate management industry.

Before looking at how the bill tackles these issues, I want to explain why the term 'body corporate' is changed to 'owners corporation' in the bill. The new term emphasises that the body set up to manage common property and services is the lot owners body, and something closely aligned with the interests of the lot owners. It is also consistent with the usage of the term 'owners corporation' in other jurisdictions such as New South Wales and the Australian Capital Territory. It also clears up the existing confusion whereby the term 'body corporate' can refer to both a legal entity created by subdivision and a company created under the corporations legislation. To avoid unnecessary administrative costs, transitional arrangements will ensure that registration and the use of the body corporate name and seal will not be affected by this change. Consistent with the changes introduced by this bill, I will use the term 'owners corporation' to describe these bodies from now on.

As I have noted, public submissions have stressed the need for increased governance of account management and financial planning. In looking at this issue, it became apparent that the type of governance necessary will often depend on the size of the owners corporation. Generally, larger organisations are likely to manage greater sums of money, are more likely to be professionally managed and are less able to conduct their affairs informally.

Under the current legislation, there are no differences in the requirements for a two-lot subdivision and a multistorey high-rise. This bill recognises the problems inherent in such a 'one size fits all' approach. It exempts two-lot owners corporations from many of the requirements that apply to other owners corporations.

This approach acknowledges that many parts of the bill are inappropriate where there are only two owners and reduces the regulatory burden on such owners. The bill also draws a distinction between the duties imposed on prescribed, that is, larger owners corporations, and the duties imposed on non-prescribed owners corporations. The threshold for prescribing an owners corporation will be set out in the regulations. Prescribed owners corporations will be required to prepare financial statements in accordance with prescribed standards, get financial statements audited, establish a maintenance plan and a maintenance fund and obtain five-year valuations of common property for insurance purposes.

One issue that is critical to all owners corporations, whether large or small, is the need for a comprehensive dispute-resolution system. Under the current legislative scheme, there is no formal complaint-handling system. Dispute resolution options are limited to services available for resolving neighbourhood disputes, or, if a dispute relates to the act, regulations or rules, applying for a formal order from the Magistrates Court. These options are too limited for the diverse range of disputes and parties operating in today's complex owners corporation environment.

The new scheme will remedy this deficiency by setting out a three-tier approach to dispute resolution. The policy behind this approach is to encourage a sense of personal responsibility in the parties for resolving disputes, sometimes with the assistance of government dispute resolution services, rather than relying on direct state intervention or punitive sanctions to resolve all owners corporation issues.

The first tier is a requirement that the owners corporation must have an internal dispute resolution process, with a default process set out in the model rules which will be drafted with the regulations. The bill also establishes a formal, fair and transparent complaint-handling process which may apply when the informal process fails.

The second tier is the option of conciliation or mediation processes offered by Consumer Affairs Victoria. These processes will be available to parties who are not satisfied with the result of the internal process.

Finally, the bill provides the Victorian Civil and Administrative Tribunal with powers to resolve a broad range of disputes, including the power to impose a civil penalty for breaches of the rules. The parties may only apply to VCAT if the dispute resolution process has been exhausted.

In keeping with this scheme, the process for collection of owners corporation fees from lot owners is clearly set out in the bill, so that all parties will know where they stand. There will be a mandatory 28-day notice upon failure to pay fees. A second and final 28-day notice is discretionary, but the owners corporation cannot go to VCAT unless this final notice is given.

The dispute resolution process will be supplemented by increased measures for education, information and advice. Public education will be a crucial component of the new system, and Consumer Affairs Victoria will provide specialist information services to assist owners corporation members in understanding their dispute resolution options. These services will include telephone advice, and print and web-based information in the form of information sheets.

Another issue that was frequently raised in submissions was the regulation of owners corporation managers. Approximately 1000 people are employed full time in the management of owners corporations, a number that has risen sharply in recent years. Under the present legislative framework, managers must have professional indemnity insurance, must report to the annual general meeting and can be removed at a general meeting.

This bill will introduce much needed additional professional and performance standards through light-handed regulation rather than a full licensing system. The bill recognises that with 65 000 owners corporations, it is owners corporations themselves that will be best placed to ensure that managers provide the services they require.

Paid managers will be required to register with the Business Licensing Authority. They will not be able to be registered if they are insolvent or do not have professional indemnity insurance. It will be an offence to act as a professional manager without being registered, or for a manager to supply false or misleading information to the BLA.

A public register will also enable lot owners and members of the public to have access to information about registered managers, and allow CAV and the Business Licensing Authority to disseminate information to managers and to owners corporations that are managed by registered managers, including details of any orders made against managers. The bill imposes a duty on managers to act honestly and in good faith, to exercise due care and diligence, and not to make improper use of their position. Managers must also return financial records to the owners corporation within 28 days of termination of their services as

manager. The bill also clearly states the process for appointment of managers.

The bill imposes specific performance standards on property developers. The current legislative framework is silent on the role of the developer in establishing the owners corporation. Feedback received during the public consultation phase included cases where developers had awarded themselves irrevocable proxies, or entered into long-term service contracts with subsidiary or related companies that are not cost competitive. These practices cannot be allowed to continue. The bill therefore imposes duties on developers for a period of five years following registration of the plan of subdivision. These duties require developers exercising a majority vote to act honestly and in good faith, to exercise due care and diligence, and to act in the interests of the owners corporation.

More specifically, developers will be required to pursue contractual remedies against builders for any defects in the common property, and will be prohibited from requiring owners to provide proxies or powers of attorney as a condition of purchase. At the initial meeting of the owners corporation, developers will be obligated to table any contracts or leases entered into, any maintenance plan, and any relevant accounts or records.

As these provisions acknowledge, the provision of accurate and up-to-date information in a timely fashion is crucial for lot owners and purchasers. The current legislative framework includes minimal record-keeping requirements, and records are not available to purchasers.

The bill will require that records be made available for inspection by purchasers and that copies must be provided for a reasonable fee. The bill also introduces the concept of an owners corporation register of important current information. This can be accessed by lot owners, mortgagees and lot purchasers. Unlike the current situation, the owners corporation certificate must now be provided within 10 business days of an application and in addition must also be attached to the vendor's statement required by section 32 of the Sale of Land Act 1962, ensuring that potential purchasers can obtain details of fees and other important matters before committing themselves. The bill also introduces provision for those persons whose details are recorded to apply to VCAT to restrict access to personal information in exceptional circumstances.

Under the existing regulations, there is only limited guidance on committees. Committee powers are not

defined. The duties of committees and the procedure by which they must operate are also not clear, and no performance standards are imposed.

This bill will clarify that the committee may do all the things that the owners corporation can do by ordinary resolution, except those that the owners corporation itself resolves can only be decided at a general meeting. It also clarifies committee procedures and how committee meetings are called. The bill requires committee members to act honestly and in good faith and not to make improper use of their position.

Accountability is also built into the bill by the requirement that the committee must report on its activities to the annual general meeting. This provision is reinforced by a requirement that the agenda for the annual general meeting must include an insurance update, consideration of the owners corporation budget and any delegations, and a complaints handling report.

The current regulatory scheme for bodies corporate is not serving Victorians well. The regulatory scheme is sparse and limited in the guidance it provides to bodies corporate and lot owners. Parts of it are not clear or appear contradictory, and in many areas little guidance is provided to individuals trying to run these community organisations we call bodies corporate.

At a minimum this bill will fix this situation. It provides much more detail on the roles and responsibilities of the participants in the owners corporation, the office bearers and the lot owners. It provides clearer procedures and clarifies provisions that in the previous act and regulations were unclear or contradictory.

In addition, this bill also provides for a range of new features to assist in the smooth running of owners corporations. It provides for more types of decisions by ballot, it allows owners corporations to establish maintenance plans and maintenance funds, and it provides for much better access to key information needed to run and participate in an owners corporation.

This new regulatory scheme should benefit everyone living in an owners corporation.

I commend this bill to the house.

Debate adjourned on motion of Mr KOTSIRAS (Bulleen).

Debate adjourned until Thursday, 3 August.

CORONERS AND HUMAN TISSUE ACTS (AMENDMENT) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

This bill makes a range of amendments to the Coroners Act 1985 and the Human Tissue Act 1982. The aim of the majority of these amendments is to ensure that the legislation reflects accepted medical practice in the important fields of human tissue retrieval and autopsies. As such, this bill will not introduce a new regime governing these fields but rather clarify how these practices are governed by the legislation.

I now turn to the specific amendments.

Part 9 of the Coroners Act 1985 establishes the Victorian Institute of Forensic Medicine (VIFM). The bulk of the amendments to this act relate to that part.

VIFM runs the Donor Tissue Bank of Victoria (DTBV), which is currently the only tissue bank in Victoria that retrieves tissue from donors accessed through a coronial system. The DTBV is also the only multi-tissue bank in Australia, retrieving heart valves, skin, corneas and musculoskeletal tissue (i.e., bones and tendons).

The DTBV works closely with bereaved families on the sensitive issue of tissue donation. Within 24 hours of a body arriving at the coronial services centre as part of a coronial investigation into the cause and circumstances of the death, a family may be approached by DTBV's transplant and family liaison coordinators to discuss tissue donation.

The DTBV adheres to strict protocols in the selection of donors, in consent procedures and in the processing of the tissue to ensure that no infectious or toxic agents are transmitted to recipients. In 15 years of operation the DTBV has provided over 10 000 tissue allografts to recipients and to date it has had no reported case of infection arising from their transplantation. This figure represents the people whose lives have either been saved, or whose quality of life has been improved, as a direct result of the work of the DTBV and its parent body, VIFM.

It is against this backdrop that I introduce the first set of amendments to the Coroners Act 1985.

In recognition of the variety of invaluable work that VIFM and the DTBV is engaged in, the bill clarifies

that VIFM, and therefore the DTBV, has the following additional objects and functions:

to receive tissue lawfully taken from living persons and to process, store and supply the tissue for transplantation to living persons or for use for other therapeutic, medical or scientific purposes;

to remove tissue or receive tissue taken in accordance with the Human Tissue Act 1982 from deceased persons and to process, store and supply the tissue for transplantation to living persons or for use for therapeutic, medical or scientific purposes; and

to receive, process, store and supply tissue taken (in accordance with comparable corresponding laws) from interstate or overseas for transplantation to living persons or for use for other therapeutic, medical or scientific purposes.

These amendments will provide VIFM with a solid legislative basis for continuing its critical role in saving and enhancing lives through tissue transplantation.

The bill also makes an amendment to section 27 of the act which sets out the circumstances in which an autopsy may be conducted under the act. Again, in the interests of clarification, the bill spells out that mortuary technicians (including forensic technicians) or scientists under the general supervision of the pathologist or doctor who is responsible for the performance of the autopsy may assist in tissue removal.

A similar amendment is also made to the Human Tissue Act 1982. That act, amongst other things, governs the performance of non-coronial autopsies which are performed at hospitals to gain a better appreciation of the health of the person prior to their death.

These amendments ensure that the legislation matches the accepted current medical practice both Australia wide and internationally — whereby pathologists and other medical practitioners conduct autopsies but are assisted by technicians who are trained in tissue retrieval. Once removed, the tissue is examined by the medical practitioner who is conducting the autopsy.

Another aspect of the Human Tissue Act 1982 is its regulation of the donation of tissue. To protect the interests of living persons and out of respect for a deceased person, it sets out detailed criteria for when tissue can be removed for the purposes of transplant into another person, or for other medical or scientific purposes, such as medical research.

Part 5 of the act governs when tissue may be removed from a deceased person. The act allows tissue to be removed with the consent of the person given prior to their death, and if the views of the deceased are not known, with the consent of the senior available next of kin of the deceased. The family of the deceased play an important role in decisions about tissue donation, and are actively consulted by tissue donation practitioners. This may be to ensure that they can give consent, or to discuss whether the deceased objected to such a donation, or to ascertain any other information that may be needed to determine whether the donation should, or should not, proceed.

There can be a number of practitioners involved, depending upon the tissue that is being considered for donation, and the circumstances of the deceased's death. For example, in the case of a person who has died in hospital and whose organs may be suitable for transplant, the family is approached by either hospital staff or separate organ donation coordinators. If a person may be eligible to donate corneas then the next of kin may be contacted by eye donor coordinators. If the deceased is located at VIFM, the institute's coordinators will generally consult the family.

Tissue donation and transplant is a highly complex area. For this reason there is a high degree of specialisation in the performance of tasks, to ensure that each person has the required expertise. The communications with the next of kin to obtain consent to proceed are likely to be carried out by a transplant or donation coordinator. Not surprisingly, that person may not be the one who performs the actual removal of tissue, where this is authorised under the act.

Similarly, in the case of a deceased person located at a hospital, the act requires a designated officer to check that the various requirements of the act have been met before the donation can proceed. However, it may be a donor coordinator who speaks to the family.

The bill amends the act to recognise this division of labour within health and donation services. If the person who authorises the removal has not been involved in all stages personally, they must be satisfied that all that is required has been done. Ultimate responsibility is still, however, vested in the one person, to ensure that the safeguards in the act are adhered to.

The establishment of specialist tissue and organ donation services (including banking and transplant facilities) also means that a number of health professionals may be involved in ascertaining whether any particular tissue would be suitable for donation, where that tissue has been removed from the body of a

deceased person, or is about to be so removed, in accordance with the act. This assessment of suitability is a vital part of transplant procedures. It ensures that there is no unacceptable risk of harm to the recipient of tissue, such as transmission of a disease from the tissue.

For instance, a person may have died in an accident and initially appear suitable as a donor, but on examination it becomes clear that they had a form of cancer that renders their tissue unfit for removal for transplant into another person. This will only be known if the donation coordinator can have timely access to relevant medical information. The bill clarifies that such communications are authorised.

This is consistent with the objects of the Health Records Act 2001, which is to balance the public interest in protecting privacy with the legitimate use of that information, which includes promoting high quality in health services and ensuring patient safety. To reflect this balance, use and disclosure of relevant information is limited to persons who need to know it, such as health service providers and organ and tissue donation and banking staff. In addition, the use and disclosure of the information would only be authorised to the extent necessary for the purposes of those provisions of the act that relate to the removal of tissue from deceased persons, including assessing whether the tissue would be suitable for transplantation.

The high degree of specialisation that exists across the health sector generally is also evident in the practice of who performs the removal of tissue from a deceased person, where the statutory criteria for removal are met. In the case of whole organs such as heart, lung and kidneys that are removed in hospitals for transplant into another person, the removal is performed by specially trained medical practitioners.

However, there are other kinds of tissue which can be removed quite safely and effectively by trained technicians rather than medical practitioners, and this is of invaluable service to the community. The act currently allows eye and skin tissue to be removed by persons prescribed in regulations. This includes specified classes of person who work at VIFM. The bill will enable other tissue to be removed by prescribed persons, in recognition of the role that trained technicians can play, such as VIFM technicians who remove musculoskeletal tissue and cardiac tissue.

As I have already indicated, the primary purpose of the act is the protection of donors, and it contains numerous safeguards to prevent harm arising from the inappropriate removal of tissue from a potential donor. The provisions are drafted with this in mind.

Amendment of the act is required to clarify the scope of its operation. For instance, tissue can be removed from a living person for their own benefit. This might be when a blood sample is taken from a patient to test for the presence of a disease that a medical practitioner considers the patient may have, or where a cancer tumour is removed from a patient to save their life. These removals are for therapeutic purposes and are carried out with the consent of the patient, or in a medical emergency.

The act provides that such procedures are not subject to the act, as the statutory criteria regarding donation for transplant are not necessary in this quite different context. This explicit exclusion is confined to procedures carried out by a medical practitioner.

However, other health service providers may also be involved in the removal of some kinds of tissue. Dentists remove teeth. Nurses take blood samples. Podiatrists remove some skin and nails. The health sector has generally understood that the act does not apply in such cases, where the removal is for the benefit of the patient and not for the purposes of donation. One of the changes to the act in this bill is to clearly reflect this understanding; it allows providers to remove tissue as is suitable to their particular situation. Common law governing health care will of course continue to apply to these removals, such as the law of negligence, public health laws and the statutory regimes that govern the conduct of practitioners.

In conclusion, this bill will improve the operation of these two important acts and ensure that they reflect and require sound medical and forensic practice.

I commend the bill to the house.

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until Thursday, 3 August.

MINERAL RESOURCES DEVELOPMENT (SUSTAINABLE DEVELOPMENT) BILL

Second reading

Mr CAMERON (Minister for Agriculture) — I move:

That this bill be now read a second time.

The purpose of this bill is to amend the Mineral Resources Development Act 1990 to further support the sustainable development of the minerals industry in Victoria. The Bracks government is committed to

sustainable development across Victoria, and the introduction of this bill demonstrates implementation of that commitment specifically in the context of the mineral resources sector.

The bill will amend the title of the Mineral Resources Development Act 1990 to explicitly mention 'sustainable development', thereby creating the Mineral Resources (Sustainable Development) Act 1990. The new title aligns with the current purpose and objectives of the act, and is complemented by the introduction of sustainable development principles which will guide decision making under the legislation.

The sustainable development focus is further evidenced by the following amendments which I will now speak about in more detail.

Duty to consult and community engagement plans

Genuine community engagement is an essential component of sustainable development. However, there is no provision in the act to specifically foster increased engagement between miners and the communities they work in and with. This situation will change as a result of this bill.

The bill introduces a duty to consult, which will recognise local communities as key stakeholders in the act. Community engagement plans are being introduced to document the commitments a licensee will make to consult with its community.

These measures are being introduced in direct response to concerns expressed by community members living close to mining operations. The government has listened closely to these concerns, and is determined to send a signal that community engagement cannot end once all necessary approvals and consents have been achieved.

In introducing these amendments, it is acknowledged that government cannot legislate as to the quality of community engagement that is undertaken by mining companies. How a licensee chooses to engage with its community is a matter for it to evaluate, and the nature of mines and their communities varies greatly. However, the benefits of meaningful consultation are already being felt by progressive mining companies and we would encourage all miners in Victoria to embrace these reforms and engage effectively with their communities.

In its report, the inquiry into sections 45 and 46 observed that despite the prevailing view within the minerals industry that it must have a social licence to operate, submissions from community members to the

inquiry demonstrated an absence of dialogue with the community in some circumstances. It is the notion of an 'absence of dialogue' that we are seeking to address with the introduction of the duty and community engagement plans.

As has been noted, for the many progressive mining companies operating in Victoria, the introduction of this duty validates the excellent work they have been doing in the arena of community engagement.

The duty will encourage companies to engage with their communities across the life cycle of a mine from exploration to rehabilitation, including the operational phase of a mine. It will complement existing consultation mechanisms required under other legislation such as planning and environment legislation.

Licensees undertaking mining will be required to develop a community engagement plan. For exploration, it is proposed that a community engagement plan may be required as part of the work plan, but would not be mandatory. This approach is proposed, as there are a much greater variety of exploration operations ranging from low-level short-term work through to large-scale operations.

The community engagement plan will form part of a licensee's work plan. Broad requirements for community engagement plans will be provided under regulations. It is also proposed that the government will develop supporting guidance to provide practical assistance to companies about models of community engagement.

Once developed, a company's community engagement plan is a manifestation of its commitment to engagement. 'Community' will not be defined by this bill. Rather, it is anticipated that companies will define their community as part of their community engagement plan. These plans are expected to be tailored and flexible, ranging from a minimal plan where there is little community, through to a detailed plan for larger scale, longer term operations that are close to significant communities.

Amendments in response to the inquiry into sections 45 and 46

This bill provides the government's legislative response to the report and recommendations of the inquiry into sections 45 and 46 of the act. Known colloquially as the '100-metre rule', these sections ensure that licensees cannot undertake works within 100 metres of certain natural and man-made features without the requisite

consent under section 45 or authorisation from the minister under section 46.

Uncertainty about the operation of section 45 stemmed from a decision made by the Victorian Civil and Administrative Tribunal (VCAT) in 2004. The findings in this decision contrasted with the common understanding and practice within industry and government, leading to questions about the validity of existing consents and uncertainty for industry and community stakeholders about the operation of section 45. Subsequently, an independent inquiry was conducted which examined the issues surrounding sections 45 and 46 in more detail. The inquiry produced a substantial report containing recommendations for legislative change to the act.

The bill confirms the validity of established approved mining and exploration operations that were reliant on consents under section 45. The need to legislate to resolve the significant uncertainty surrounding the validity of such consents was a key recommendation of the inquiry.

The bill also seeks to provide greater clarity for all parties about future consents provided under section 45 for new works. In doing so, the development of this bill has been guided by the inquiry's report and its recommendations. Many of the recommendations have been adopted, although some of the approaches have been modified in the development of these amendments, primarily to make them more practicable.

Licensees will continue to be required to obtain consent for new works within 100 metres of dwelling houses, Aboriginal heritage areas and relics, and cultural heritage sites, places and objects. However, other items currently listed in section 45 will be repealed. Some of these items reflect historical legislation and are now more effectively and comprehensively safeguarded through modern planning and environment protection frameworks. Other items will be further safeguarded through other mechanisms introduced into the act by this bill.

Gardens, orchards, farm buildings and water sources that are directly associated with a dwelling house will be effectively safeguarded through amendments that will also ensure more clear and certain measurement of the 100-metre zone in relation to dwelling houses. For small allotments of 0.4 hectares or less, the 100 metres will be measured from the title boundary. For houses on large allotments, the 100 metres will be measured from a surrounding buffer of 25 metres to be measured from the eaves of the house. In practice, these requirements will mean that all gardens, buildings and water sources

on small allotments or within the 25-metre buffer for large allotments will be safeguarded. The basis for measuring the 100 metres will also be clear to all parties.

The bill will remove the limited, historical, poorly defined public places and buildings from section 45 and introduce an explicit power for the minister to place a condition on a licence to protect a significant community facility if required. This new power will operate similarly to the current general power that minister has to protect the environment, enabling a condition to be set if the minister considers it necessary for the protection of the community facility. This approach provides greater flexibility as it will enable the minister to set risk and performance based conditions directly on a licence, and it is not limited to the items previously listed under section 45 or to 100 metres. Safeguarding community facilities will be undertaken on a case-by-case basis through the minister's condition-setting power which will operate independent of section 45.

Amendments will clarify that new section 45 consents, once provided by the owner of a dwelling house, bind subsequent owners and occupiers, and cannot be withdrawn. This is needed to provide security for investors. Conditions on such consent can be provided, but only with respect to variations for distance or depth. A process for recording new consents under section 45 is established as a result of this bill. Consents will need to be in writing and recorded on the mining register. Amendments are also being made to streamline consent powers with consent required from owners of dwelling houses only. Responsibility for consents affecting cultural heritage places and objects protected by the Heritage Act 1995 will lie with the executive director of Heritage Victoria as a result of this bill.

The package of amendments reinforce that section 45 provides for a 'one-off' consent to be granted or refused at the time a mine is being first established. However, a new consent under section 45 will be required if a licensee wants to vary mining works that are within the 100-metre zone, and the variation is significant enough to trigger a new planning permit or for works near items under section 45(1)(a)(xiii) a planning permit or an environment effects statement (EES) is required. For significant variations to exploration works within the 100-metre zone, the department head will have the capacity to direct the licensee to obtain fresh consent under section 45.

A definition of 'dwelling house' is being included for the purpose of sections 45 and 46. A new definition of 'works' will also be included to clarify the scope of

future new works that will trigger section 45. The definition covers key exploration and mining activities, but does not include low impact exploration. However, amendments are being made to clarify that low impact exploration still requires all necessary consents and other authorities, including consent from private landowners irrespective, of whether the low impact exploration is conducted under a mining licence or an exploration licence.

Amendments to strengthen environmental considerations

The bill will strengthen environmental considerations under the act by making improvements to rehabilitation provisions and clarifying powers to establish environmental offsets.

There has been some uncertainty regarding the extent to which the full range of environmental offsets can be implemented under existing licence condition powers. The bill resolves this uncertainty by establishing a clear head of power for an environmental offset to be set as a condition of licence. This will ensure that the full range of offsets can be implemented and enforced, including offsets that may be outside the licence boundary. In turn, this increases the level of flexibility open to government and licensees in implementing government offset policies such as the Native Vegetation Framework.

The minister will be able to set a condition specifically for environmental offsets including requiring works outside the licence area boundary. This will significantly enhance the options for licensees to pursue innovative solutions which may be less expensive than traditional approaches and generate net environmental and community benefits. The condition setting power will enable the impacts from the mining activity to be offset. It cannot extend to impacts from down stream processing, such as potential impacts from the use of mined materials as this is outside the scope of the act.

Offset requirements will be determined by reference to established government policies, guidelines and standards. The licensee will not be permitted to commence works under the licence until any required environmental offset has been provided or a contract for its future provision agreed in satisfaction of the licence condition. Compliance with environmental offset conditions will be ensured through the usual enforcement mechanisms under the act.

Rehabilitation of land is an integral part of the mineral resources development framework. The bill strengthens rehabilitation components by enabling the minister to

require a licensee to undertake an assessment of its rehabilitation liability. To provide assurance as to the independence and quality of such assessments, provision is also being made for the minister to require that an assessment of rehabilitation liability be certified by an environmental auditor appointed under section 53S of the Environment Protection Act 1970. Consequential amendments are being made to the Environment Protection Act 1970 as a result of this bill to enable auditors to undertake these functions.

These amendments will strengthen the information base in relation to rehabilitation liability across the state. The introduction of third party auditing will enable independent and credible information to be provided to aid the minister in making decisions in relation to rehabilitation bonds. Provision is also made to enable the minister to require a licensee to engage an auditor to certify that land has been rehabilitated, prior to the minister making a decision whether to return a bond under section 82.

The approvals process for rehabilitation bonds will be streamlined by removing the requirement to consult with councils in relation to bonds for exploration on private land. This will enable the minister to expeditiously increase the level of a bond for exploration above the standard bond amount in circumstances where more intensive exploration is proposed.

Amendments to enhance coal allocation

The minerals allocation framework will be enhanced by amendments that introduce two new processes to enable direct allocation of coal that is subject to an exemption under section 7 of the act. As a result, government will have greater flexibility to allocate valuable coal reserves in the Latrobe Valley.

The government is the steward of large quantities of coal in the Latrobe Valley. The majority of this coal is subject to an exemption under the act, which effectively quarantines it from exploration and mining licence applications. This exemption is in place due to the strategic value of this coal as a resource for energy, particularly electricity generation.

The process for minerals allocation under the act aims to maximise competition, thereby maximising resource value while ensuring transparency and accountability in the allocation process is maintained.

For Latrobe Valley coal the allocation process commences with the minister revoking or 'lifting' the exemption over the particular area of coal. Once the exemption is lifted, the minister may call for

applications for licences over the area or run a tender process to determine which companies should have access to the coal.

The absence of a process to enable direct allocation in certain circumstances has proved to be a limitation. Typically an exhaustive process of negotiation and government consideration is conducted before a decision is made to allocate a major project access to coal. Despite this, the act does not enable direct allocation in any circumstances. This is inefficient and creates investor uncertainty.

The bill introduces a new division into the act to enable direct allocation of coal in specified circumstances. The minister will be able to allocate coal to successful tenderers under a prior competitive process that is equivalent to a tender under section 27 of the act and in circumstances where access to coal is required to implement the requirements of the tender.

The Governor in Council will be able to directly allocate coal in circumstances of state interest. Such circumstances are likely to be rare, and a potential applicant will be required to put a case to government articulating the value to the state of its proposed project, including but not limited to the proposed coal allocation. The case put by an applicant will be considered in the context of economic, social and environmental considerations, including whether the case is compelling enough to outweigh the potential benefits of allocating the coal through a tender process. An applicant's financial and engineering capabilities will be assessed as well as their access to critical technologies.

These new processes will still be subject to the open and transparent processes under the act, including public advertising of applications, notification of relevant authorities and the opportunity for third party objections to be lodged. An applicant will still need to demonstrate that it is a fit and proper person, intends to comply with the act, has a genuine intention to do work, has an appropriate work program and is likely to be able to finance the proposed work and associated rehabilitation. A licence granted under either process will still be subject to all the requirements of the act, including gaining all other necessary approvals such as planning and work plan approvals, obtaining necessary consents and negotiating compensation agreements, undertaking rehabilitation and paying royalties.

Summary of other amendments

A number of additional amendments are introduced by this bill. These amendments accord with the sustainable

development theme of this bill as together they provide a package of amendments that will enhance certainty, consistency, transparency and accountability under the act.

The bill introduces amendments to the act which will enable statutory codes of practice to be made by the minister. Unlike regulations the failure to comply with a code would not of itself create an offence. Rather codes are being introduced to provide greater understanding about the act and may be developed to communicate best practice, consolidate requirements for particular sectors or articulate how licensees or other approval holders can comply with particular obligations under the act.

Amendments are also being introduced to enable the minister to establish advisory panels to consider and advise on matters relating to mining and exploration and the administration of the act. A new part is being introduced into the act which covers appointment of panels and procedures including public hearings, receiving of submissions and reporting.

The mining warden will be required to provide an annual report of his or her activities to the minister. This mechanism will ensure that the key dispute resolution and investigative functions undertaken by the mining warden are documented on an annual basis, increasing transparency and accountability.

Inspectors powers under the act are being amended and updated. New divisions are being introduced into the act to set out comprehensive inspectors powers including powers of entry, powers to apply for search warrants and powers to give directions. The amendments also place obligations on inspectors in exercising such powers. Amendments are also being made to notice powers to enable better enforcement of illegal mining activities and other potential contraventions of the act. As a result of these amendments, inspectors will be better placed to encourage improved performance and deter poor performance.

Finally, a series of miscellaneous amendments are also being made to improve the regulatory framework for mineral resources development, including correcting drafting errors and anomalies.

The amendments introduced by this bill will integrate sustainable development considerations into the act, result in improvements that strengthen social and environmental aspects, and ensure that the regulatory framework continues to be credible and robust. This bill is a tangible expression of the Bracks government's

ongoing commitment to the sustainable development of Victoria's mineral resources.

I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until Thursday, 3 August.

VICTORIAN RENEWABLE ENERGY BILL

Second reading

Mr THWAITES (Minister for Environment) — I move:

That this bill be now read a second time.

Large reductions in greenhouse gas emissions are expected to be necessary by the middle of the century to mitigate the impacts of climate change. Sustainable growth in a strong local renewable energy industry will support the achievement of significant cuts in greenhouse gas emissions.

Victoria will lead Australia in the development of a renewable energy industry with the introduction of the Victorian renewable energy target (VRET) scheme established by this bill.

This bill plays a key part in delivering the government's commitment to increase the share of Victoria's electricity consumption from renewable sources to 10 per cent and to facilitate 1000 megawatts in wind power generation.

The bill establishes a requirement for electricity retailers to purchase an additional 3274 gigawatt hours of renewable energy by 2016. We have chosen that year after careful consideration of its impacts on electricity prices and the need for a long-term flow of work for the renewable energy industry.

We are taking this step to fill a void left by the commonwealth's failure to extend the mandatory renewable energy target (MRET) scheme. The Howard government has failed to do so despite the sensible recommendations of its own Tambling review.

The Victorian renewable energy target scheme is responsible and balanced. It provides the renewable energy industry with the certainty of steady but not excessive growth over a 10-year period which will limit increases in retail electricity prices and avoid creating large losses for existing generators.

In addition to the VRET scheme, we will continue to work towards our ambitious 10 per cent renewable energy target as early as 2010, through a range of complementary measures to promote renewable energy in Victoria.

These include further promotion of voluntary green power purchases by households and businesses in Victoria, solar power on houses, technology support and energy smart zones.

These additional measures could add to our renewable energy capacity, taking the level of renewable energy as high as 12 per cent by 2016.

Almost 70 per cent of Victoria's greenhouse gas emissions are from the stationary energy sector. In December 2004 the government released its *Greenhouse Challenge for Energy* position paper.

The *Greenhouse Challenge for Energy* proposed a comprehensive policy framework to reduce greenhouse gas emissions from the stationary (non-transport) energy sector while continuing to ensure that Victorians have access to a secure, efficient and affordable supply of energy.

To prepare for a carbon-constrained future, the government recognised that it would need to pursue a range of policy initiatives including support for the introduction of a national emissions trading scheme, a renewable energy strategy, an energy efficiency strategy and the energy technology innovation strategy. The government also supported the expansion of the MRET. However, with the commonwealth's failure to extend the MRET scheme the government decided to introduce a state-based market scheme.

It is premature to support a single strategy to reduce greenhouse gas emissions at this stage — there is no silver bullet to address climate change — rather all of these initiatives must work together as part of a sound energy policy.

The government's decisions on the design of a state-based market scheme are contained within the bill.

The government's approach is in line with the views of the International Energy Agency, which released a report in February 2006 urging governments not to leave such developments to the market. Rather, the International Energy Agency called on governments to improve market deployment strategies for renewable energy technologies, ensuring continued improvements in their cost competitiveness.

The bill provides investment certainty and ensures that a number of major investments in regional Victoria will proceed. VRET will trigger up to \$2 billion of new investment in renewable energy projects over the next 10 years.

VRET will result in greenhouse gas abatement of 27 million tonnes over its full life, or an average of 1.13 million tonnes per year. This is equivalent to taking all of Victoria's 3 million cars off the road for two years.

Extensive analysis has been conducted to demonstrate that the government's target is able to be met in a cost-effective manner and offers real economic benefits to regional Victoria. These are benefits which go beyond simply the achievement of greenhouse gas reductions.

VRET will create up to 2200 new jobs in the renewable energy industry and up to \$2 billion in capital investment, mostly in provincial Victoria. VRET will cost the average Victorian household less than \$1 per month (starting in 2008) and will only increase an average household electricity bill by \$8 for the year. The Bracks government has recently announced cuts in average power prices for households and small businesses of between \$33 and \$57 over the next two years.

The government will invest \$1.5 million to establish the scheme.

I now turn to the features of the bill.

This bill implements a commitment to introduce a mandatory target (3274 gigawatt hours by 2016) for the uptake of new renewable energy. This will result in over 5000 gigawatt hours from renewable energy in total by 2016.

The bill provides for a market-based measure to promote the development of renewable energy generation through the establishment of a scheme for the creation of renewable energy certificates by generators, and the surrender of these certificates by relevant entities. Relevant entities are sellers of electricity and wholesale purchasers of electricity.

The objects of the bill are as follows:

- (a) to encourage additional generation of electricity from renewable energy sources;
- (b) to encourage investment in the generation of renewable energy and the development of renewable energy technologies;

- (c) to encourage regional investment and employment;
- (d) to contribute to the diversity of Victoria's energy supplies; and
- (e) to reduce greenhouse gas emissions.

The bill provides for the VRET scheme to come into operation on 1 January 2007.

Part 2 of the bill provides for the creation of renewable energy certificates. Renewable energy certificates can only be created by an accredited power station in respect of electricity generated prior to 1 January 2031.

An accredited power station under the bill can be situated either in Victoria or in another state or territory in which an approved interstate renewable energy regime applies. An interstate renewable energy regime can be approved if amongst other things, the approval would complement, and not detract from, the achievement of the purpose and objects of this bill and the approval would not impose unreasonable costs on purchasers of electricity in Victoria.

Under the bill a power station is eligible for accreditation if the power it generates is from an eligible renewable energy source.

Eligible renewable energy sources include, for example, hydro, wave, wind, solar, biomass and geothermal.

Renewable energy certificates may be created for electricity generated from new renewable energy generating units that commence commercial operation from 1 January 2007. An individual generator may create certificates for 15 years from the time it starts commercial operation.

Certificates will be electronic and will be traceable to the point of origin by the unique identification code allocated to each certificate.

An audited electricity generation return must be lodged each year detailing the amount of electricity generated by the power station during the previous year, the number of certificates created during that year and other information specified by the rules.

The bill also provides for the creation of certificates by small generation units installed on or after 1 January 2007. A small generating unit is a device that generates electricity from an eligible renewable energy source but is specified by the rules to be small. It is intended that the compliance regime for small units will be simpler

than for larger units to reduce the costs associated with this scheme. The key difference will be that a certain number of certificates will be deemed for the life of a small generating unit whereas certificates will only be created by larger units after electricity has been generated.

Small generating units will include, for example, wind generators with a rating of no more than 10 kilowatts and which generate no more than 25 megawatt hours of electricity each year.

Once created, certificates may be registered by the scheme administrator, which is to be the Essential Services Commission. Certificates that have been registered may be transferred. A certificate may be surrendered, in which case the certificate ceases to be valid. The commission must update its register to show the transfer and surrender of certificates.

I will now focus on the obligations imposed by the bill on relevant entities, covered by part 3, acquisition of electricity and part 4, renewable energy shortfall.

A relevant entity is a retailer or wholesale purchaser of electricity acquired for use in Victoria.

The renewable power percentage is the mechanism used to determine a relevant entity's renewable energy requirement. It is therefore also the basis for determining how many certificates are required to be surrendered to meet each relevant entity's renewable energy requirement. The renewable power percentage will increase as the interim targets increase.

The bill provides that a relevant entity must surrender sufficient certificates to cover their renewable energy requirement in each year.

A relevant entity that does not surrender enough certificates in a year is liable to pay a penalty.

The penalty payable by a relevant entity for a year is based on the number of certificates that have not been surrendered and the penalty rate for that year.

The shortfall penalty rate has been set at a level to support compliance and at the same time impose reasonable limits on the costs faced by businesses.

Part 5 of the bill establishes requirements to record and report liabilities incurred under the bill and the surrendering of certificates to meet those liabilities. For example, the bill provides that a relevant entity must lodge a statement for a year on or before 30 April in the following year.

The remainder of the bill covers the following:

part 6 deals with the civil enforcement regime;

part 7 establishes an internal merits review process;

parts 8 and 9 address the administration of the VRET scheme, its registers and publication of key annual data and an annual report on the operation of the VRET scheme;

part 10 provides for the VRET scheme's information gathering powers;

part 11 deals with the appointment and inspection powers of authorised officers;

part 12 deals with confidentiality; and

part 13 deals with a range of matters including the fixing and charging of fees.

Part 8 of the bill provides that the commission will be required to administer the scheme. Part 14 provides for consequential amendments to the Essential Services Commission Act 2001 to empower the commission to administer the scheme.

The bill provides for the development of rules for carrying out or giving effect to the bill. The rules must be prepared according to the consultation requirements of the Charter of Consultation and Regulatory Practice published under the Essential Services Commission Act 2001.

The bill provides for a review of the operation of the VRET scheme by the end of 2011. The review will assess whether it is working effectively and achieving its objects. The matters to be considered in the review include whether the targets and the penalty rate under the VRET scheme are appropriate considering the interests of existing generators, the renewable energy industry and Victorian energy consumers.

This is a significant day in the history of the Victorian Parliament. We have a proud history of reform which is continued in this bill. This bill is the first legislation of its kind developed in any state or territory in Australia and one of only a few worldwide.

Having drawn on detailed analysis and substantial stakeholder input, the government has developed a carefully tailored scheme that balances the interests of the renewable energy industry, existing generators and Victorian energy consumers. Because the VRET scheme is a market-based scheme it will meet the government's renewable energy targets at the lowest cost.

The target of 10 per cent renewables by 2016 (or an additional 3274 gigawatt hours of new renewables) is achievable and goes a long way towards preparing Victoria for a carbon-constrained future. It builds on Victoria's national — and international — leadership position in sound energy policy.

With the passage of the bill, further development of the Victorian renewable energy industry will encourage regional investment and employment. Additionally it will produce significant reductions in greenhouse gases for years to come.

If not us, who? If not now, when? Today is the day for Victoria to assume its rightful place in leading the nation towards a sustainable energy future.

I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until Thursday, 3 August.

HERITAGE RIVERS (FURTHER PROTECTION) BILL

Second reading

Mr THWAITES (Minister for Environment) — I move:

That this bill be now read a second time.

The Heritage Rivers (Further Amendment) Bill amends the Heritage Rivers Act 1992 to prevent the construction in all heritage river areas of new and extended impoundments, barriers and structures that impede the passage of water fauna. It also amends the provisions in the act relating to management plans and makes some other, minor amendments.

The bill continues the Bracks government's significant water reforms — reforms that are being undertaken in the long-term interests of the community, water users and the environment. In particular, the bill reinforces the government's commitment to protecting and improving the environmental health of our rivers.

Heritage river areas

Victoria's 18 heritage river areas are designated under the Heritage Rivers Act, which arose out of the former Land Conservation Council's Rivers and Streams Special Investigation. They comprise public land along stretches of various rivers totalling approximately 2000 kilometres of Victoria's 56 000 kilometres of named

rivers and streams. They extend over a variety of public land, including national parks, state forest and public land water frontages.

The heritage river areas contain significant nature conservation, recreation, scenic or cultural heritage attributes, and are located across the state. The diverse nature of these areas is illustrated by:

the limestone cliffs of the Glenelg heritage river and the river red gums and terminal lakes of the Wimmera;

the cool temperate rainforests of the Aire and the dry forests of the Lerderderg;

the floodplain meanders along the Goulburn, Ovens and Yarra;

the steep valleys of the Howqua, Big, Mitta Mitta, Aberfeldy and Thomson;

the spectacular gorges of the Mitchell, Snowy and Genoa;

the rugged and remote terrain of the Upper Buchan and Suggan Buggan; and

the estuary of the Bemm.

Importantly, the Mitchell River is the largest river without a dam in south-eastern Australia.

Further protecting our heritage rivers

The Heritage Rivers Act requires the relevant managing authorities to protect the significant attributes of the heritage river areas. It also emphasises the importance of free-flowing streams by requiring the managing authorities to take all reasonable steps to ensure that the areas are maintained without further interference to their free-flowing state, except as provided for in the act.

The act currently prohibits new impoundments, barriers and structures that impede the passage of water fauna in 14 of the 18 heritage river areas, except with the approval of the Governor in Council. New impoundments, barriers and impeding structures may be permitted in the Wimmera, Lerderderg, Yarra and Big heritage river areas, some subject to certain conditions being met.

The bill gives further protection to Victoria's heritage rivers by prohibiting new and extended impoundments, barriers and impeding structures in all heritage river areas. Any new impoundment would therefore require

an amendment to the act, which is appropriate given the status of these areas.

The bill reflects the government's view that new in-stream reservoirs are not a sustainable water management solution — new dams are not the answer. It also implements Labor's 1999 election policy to prohibit the damming of rivers protected under the Heritage Rivers Act, including the Mitchell River.

The added protection afforded our heritage river areas highlights the importance of some of Victoria's most significant streams and is consistent with the commitments in the Victorian River Health strategy to protect rivers of highest community value and maintain the condition of ecologically healthy rivers.

It also reinforces the government's commitment in *Our Water Our Future* to significantly improving the environmental health of our rivers. This commitment includes improving environmental flows in rivers such as the Wimmera, Glenelg, Werribee, Thomson, Macalister, Snowy and Murray.

Flowing from these commitments has been a wide range of government initiatives to improve the environmental health of our rivers, including heritage rivers. These include:

- legislating to establish the environmental water reserve;
- making a major investment in major water infrastructure projects, including the Wimmera–Mallee pipeline so that savings can be directed to improving the health of the Wimmera and Glenelg rivers;
- investing in protecting and restoring riparian land across the state, including along the Goulburn River;
- increasing environmental flows in the Thomson River from water savings in Melbourne;
- delivering water savings to the Snowy River and introducing legislation to prevent the sale of Victoria's share in Snowy Hydro so that environmental flows are protected in the future; and
- developing regional river health strategies across the state to deliver river health objectives.

Management plans

The Heritage Rivers Act requires a management plan to be prepared for each heritage river area and each of the 26 natural catchment areas that are also protected under the act.

The bill takes the opportunity to update the management plan provisions in the act. The amendments continue to acknowledge the importance of management planning for these areas. However, they recognise that, since the act was proclaimed, other plans or strategies prepared in relation to public land have also addressed the management of these areas, and will continue to do so. It is not efficient to duplicate this work.

In particular, various management plans prepared since 1992 for national and state parks and state forest have recognised heritage river and natural catchment areas. Also, catchment management authorities have been created since 1992 and have a charter to take an integrated approach to the protection and management of catchments. In recent times, as caretakers of river health, they have been preparing regional river health strategies to establish regional priorities for river protection and restoration, including heritage river areas. In essence, waterway planning and management have improved dramatically since heritage river management plans were originally proposed. Total catchment management is a more comprehensive way to manage the values of our rivers.

However, the proposed amendments allow the minister to take these other plans and strategies into account when deciding whether to require a management plan to be prepared under the Heritage Rivers Act. The minister may decide that a plan is required if he or she considers that the management requirements for these areas are not adequately addressed in other plans and strategies. The minister can specify that such a plan should be prepared for one or more parts of a heritage river area or should deal with a particular aspect of management that is not covered in other plans or strategies. The amendments, therefore, effectively allow gaps to be filled if any are identified.

The Department of Sustainability and Environment will assess existing plans and strategies that cover heritage river and natural catchment areas to identify what plans may be required under the act. However, it is envisaged that only a relatively few plans, if any, will be needed.

In summary, the amendments will make the management planning process for these areas more efficient but ensure that, overall, there are no gaps. The provisions in the act regarding public consultation and notification of plans in the *Government Gazette* are retained, and the tabling and disallowance procedures relating to any plan prepared under the act are updated.

Conclusion

The Bracks government is proud of its water reforms. In the context of this bill it is particularly proud of those that place a greater emphasis on improving the environmental health of our rivers. That the reforms are occurring at a time of significantly reduced rainfall draws attention to the importance of water to our future and to the finite nature of the resource — a resource which both the community and the environment must share.

The increased protection afforded by this bill to our heritage rivers recognises the value of not further impairing their free-flowing state. In doing so, it will help to ensure a more environmentally sustainable future for some of our most precious rivers.

I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until Thursday, 3 August.

CATCHMENT AND LAND PROTECTION (FURTHER AMENDMENT) BILL

Second reading

Mr THWAITES (Minister for Environment) — I move:

That this bill be now read a second time.

Weeds and pest animals pose a significant threat to primary production and biodiversity in Victoria. They reduce farm and forest productivity, with the direct cost of weeds to Victorian agriculture estimated at more than \$900 million per year. Weeds displace native species and contribute to land and water degradation. Invasive species are recognised internationally as the second most significant threat to natural ecosystems.

The Victorian government works hard to reduce the impact of weeds by anticipating potential weed problems, responding to existing weed problems and assisting landowners to meet their responsibilities with regard to weed and pest animal control. This work requires the support of a strong legislative framework under which weed and pest animal control can be regulated.

In Victoria, this is provided for under the Catchment and Land Protection Act 1994. This act forms a fundamental part of the legislative framework for land management in Victoria and contains the provisions

which govern responsibility and control for all noxious weeds and pest animals. The act places responsibility on landowners to eradicate or prevent the growth and spread of certain types of noxious weeds and to eradicate or prevent the spread of established pest animals on their properties.

The government works cooperatively with community groups such as Landcare to implement control programs for weeds and pest animals. However, where some land-holders continue to fail to meet their responsibilities, it is necessary to enforce the requirements of the act. This enforcement action not only ensures that weed and pest animal problems are in fact addressed, it also ensures that the cooperative efforts of the rest of the community and the government are not in vain.

However, a significant deficiency in the act has been in the ability to enforce requirements for landowners to take measures to control pest plants and animals on their properties in a timely manner. To that end the Catchment and Land Protection (Further Amendment) Bill seeks to amend the act to introduce new enforcement mechanisms, including the issuing of infringement notices, and improve existing enforcement mechanisms that will enhance the management and eradication of weeds and pest animals in Victoria. These provisions relating to enforcement will work in conjunction with and complement extension work in the relevant area.

The bill will improve existing provisions under the act enabling the issue of a land management notice. Currently, a land management notice is the principal instrument under the act for requiring land-holders to meet their obligations for weed or pest animal control. Such a notice is issued to a landowner who has failed to comply with his or her duties for pest control. The main existing offence under the act is failure to comply with a land management notice.

However, provisions relating to land management notices require the investment of significant time and resources in order to access the ability to establish and enforce land management notice requirements. Currently, where there is more than one landowner, the secretary must attempt to reach agreement with each landowner on the carrying out of a program to deal with the issues of concern before issuing a land management notice. This can take a significant amount of time where landowners are not involved directly in the management of the land or are overseas or interstate.

Therefore, the bill will amend the act to replace the requirement to reach agreement with each landowner

with a requirement to serve the land management notice on each landowner. Provisions relating to land management notices will also require that a landowner advise the secretary of the work carried out in response to a land management notice, where previously the landowner only needed to advise that the notice had been complied with. An infringement notice may be issued where this requirement is not complied with.

Where a land management notice is subsequently issued and not complied with, significant time must be invested in attempting to gain compliance before a prosecution in the Magistrates Court can be achieved. Therefore, two new statutory notices are to be introduced whereby landowners in specified geographical areas and specific properties can be required to undertake weed or pest control activities. Where these notices and related requirements are not complied with, an infringement notice may be issued, thus enabling enforcement action to be taken at an earlier stage.

Activities targeting the eradication or control of weeds and pest animals are normally undertaken within a targeted geographical area to enable the efficient use of resources and to involve the local community. This bill will provide that the minister may declare an area to be a 'priority area' by way of a statutory notice that will require each landowner within the area to undertake control measures on his or her property. In addition to this, the bill will provide that the secretary may issue similar notices to individual landowners to target specific properties with a pest problem.

A landowner will be required under the amended act to advise the secretary in writing as to what control measures have been carried out in response to a notice. Where this requirement is not met or the land-holder has not undertaken the required control measures, an infringement notice imposing a penalty may be issued.

In creating these new notice provisions and amending existing notice provisions, the bill provides a suite of enforceable provisions that support and complement existing weed and pest animal control activity by communities and government. It also streamlines compliance and enforcement processes to ensure resources are used efficiently.

The act is also to be amended to further support compliance activities under the act.

The act is to be amended to allow authorised officers to gain access to municipally-held ratepayer information for name and address details of landowners.

The act is also to be amended to improve warrant provisions. Currently authorised officers may be required to enter land and clear weeds where the owner fails to do so. This may take several days or weeks to complete. However, a warrant for this activity can only be issued for one day. The act is to be amended to allow a court to issue warrants for longer periods.

The act is also to be amended to allow an authorised officer to seize specified items under a warrant which an officer can search for under the warrant.

The bill makes further amendments directed at issues relating specifically to noxious weeds. Noxious weeds are declared under the act within a range of categories according to the appropriate way of dealing with the weed. However, limitations on how weeds are declared are proving to be an impediment to weed management at both the state level and national level, insofar as Victoria contributes to the national program for weed management. Therefore an amendment is to be made to clarify and improve these provisions to enhance our response to weed problems.

The bill also introduces a prohibition on the possession of noxious weeds for the purposes of display without a permit authorising the display. This will target the display of noxious weeds as part of garden and landscaping displays which may encourage people to propagate weeds. Planting and propagating noxious weeds will also be made an offence under the act.

Finally, the bill will make a minor amendment to the act to allow authorised officers to take samples of plant materials from land, in addition to an officer's existing power to take samples of soil, stone or other similar material.

This bill represents an opportunity to significantly improve the control and eradication of weeds and pest animals in Victoria. With the creation of enforceable requirements and the overall improvement of the act as it relates to weeds and pest animals, this bill will ensure that the problem of weeds and pest animals are properly addressed for the benefit of the agriculture sector and the environment.

I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until Thursday, 3 August.

ENVIRONMENT PROTECTION (AMENDMENT) BILL

Second reading

Mr THWAITES (Minister for Environment) — I move:

That this bill be now read a second time.

I am very pleased to present the Environment Protection (Amendment) Bill to the house today. This bill represents an important step in achieving the government's environmental sustainability vision.

Successful modern societies are those that can develop a vibrant and dynamic economy which is capable of delivering the social aims of the community.

A key to developing a vibrant and dynamic economy is to identify and harness new forms of productivity.

The Bracks government believes that, in the early stages of this 21st century, environmental resource efficiency represents a new form of productivity.

In short, as a global community, we need to work out how to use less energy, less water and fewer materials to produce more of the goods and services for the lifestyles that we all aspire to.

If this new productivity can be harnessed, the environment will be transformed from being considered as a business cost into an enormous business opportunity — one of the biggest business opportunities available in world markets.

And Victoria is well positioned to be at the forefront of this emerging global trend.

The Bracks government has already taken many steps to ensure Victoria is at the forefront of environmental sustainability policies.

Last year, the government presented its vision for an environmentally sustainable future in our framework, *Our Environment, Our Future*. Recently, we released a major action statement to ensure the next phase of delivery of this pivotal environmental sustainability framework.

With the introduction of this bill, we are now taking another major step.

This bill will amend the Environment Protection Act to help deliver the government's aspirations for a sustainable state by ensuring that the Environment Protection Authority is equipped with the tools that it

needs to meet today's challenges and to make some key reforms to the way in which we plan and implement our waste management needs in metropolitan Melbourne.

The Environment Protection Authority is 35 years old this year.

It has achieved a lot and it is about to achieve a lot more.

The Environment Protection Authority's sole purpose — to protect and improve the Victorian environment — remains unchanged.

But what will change with the passage of this bill and a set of associated reforms is some of the ways in which the Environment Protection Authority achieves its purpose.

This government is encouraging Victorian businesses to harness the economic opportunities presented by the world's use of environmental resources.

This bill will ensure that Victoria will have an environmental regulatory system and an environmental regulator which are better equipped to support this business innovation.

The government is therefore pleased to announce that it is directing the Environment Protection Authority to operate in a new, smarter and enhanced framework.

This framework is designed to deliver stronger environmental outcomes and better business outcomes.

It will help deliver the government's commitments to cutting business red tape, supporting business innovation and achieving environmental sustainability.

Under this framework, the Environment Protection Authority will operate in three broad ways.

First, it will continue to use traditional regulatory means where these are needed and appropriate. It will set tight controls, hold polluters to account and, unreservedly and without fear, be the community's environmental watchdog wherever and whenever this is needed.

Second, as far as possible it will find an economic basis for administering its regulations.

This second arm of the framework represents the key innovation in this bill.

The government believes there is a strong nexus between environmental outcomes and economic outcomes. The Environment Protection Authority will

be asked to find, and help businesses pursue, this nexus wherever it can.

This represents a new way of regulating. Most people believe that regulation must add to business costs. The direction from the Bracks government to the Environment Protection Authority is to find ways to develop and implement regulatory approaches that improve the environment and, where possible, improve profits and business outcomes.

This second arm of the new framework for the Environment Protection Authority is critical. This government is encouraging Victorian businesses to lead the world in innovation in environmental sustainability. In doing so, we are asking businesses to uncover the many coincidences between environmental outcomes and economic outcomes. Therefore, we will support Victorian businesses by requiring the statutory authority that regulates them on environmental issues to do likewise.

The government will require the Environment Protection Authority to be innovative and world leading as a regulator.

The Environment Protection Authority will be equipped to help ensure that Victoria becomes one of the first places in the world where the environment routinely becomes a business opportunity rather than a business cost.

Third, the Environment Protection Authority will also continue to work in partnership with businesses and the broader community to deliver environmental improvements.

This bill strengthens the Environment Protection Authority's capacity to pursue all three arms of this new framework.

The bill also makes some key reforms to waste management in Victoria that will keep this state at the forefront of resource efficiency. These reforms will deliver:

- a strengthened partnership between state and local governments to address the challenges of increasing resource efficiency in metropolitan Melbourne;

- a mechanism to reduce avoidable litter by controlling the distribution of plastic shopping bags;

- a stronger framework for the management of hazardous wastes to reduce the generation of these unwanted materials.

In describing in more detail the features of this bill, I will address each reform in turn, commencing with the establishment of 'environment and resource efficiency plans' for large users of environmental resources.

Protecting our environmental resources

It is well understood that high levels of energy and water use can place significant stresses on ecosystems and adversely impact environmental health. High levels of consumption can also lead to the discharge of wastes into the environment and unnecessary cost to the economy and society.

In order to prevent this waste and protect our environmental resources for future generations, this bill provides for the establishment of a new environment and resource efficiency plans scheme to deliver significant gains in environmental resource use efficiency.

The government will build on the success of EPA's industry greenhouse program by introducing environment and resource efficiency plans for the state's 250 biggest energy and water users.

These companies will be required to explore energy, water and waste reduction opportunities. Only those resource efficiency actions which have a three-year or better payback period must be implemented as part of an environment and resource efficiency plan.

The scheme will not apply to broadacre agricultural primary production, including irrigated primary production, as a significant amount of work is already being undertaken to encourage resource efficiency in this area.

Organisations which are already taking the initiative to reduce their environmental resource consumption will have these actions recognised. This scheme will facilitate voluntary action, and recognise and support businesses taking action through existing programs such as the water efficiency programs delivered by water retailers. However, all large environmental resource consumers will be required to register with Environment Protection Authority and to report on their achievements.

To ensure a fair and equitable system, the scheme provides for offences for those firms that are major environmental resource consumers who do not participate through the development and implementation of a plan for environmental resource efficiency. This is an important safeguard that underpins the efforts of those pursuing resource efficiency.

This action plan scheme has been tried and tested in Victoria before. The government's greenhouse industry program, which required high energy users to prepare and implement action plans, is estimated to deliver annual reductions of 1.1 million tonnes of carbon dioxide equivalent, and reduced energy bills for Victorian businesses by \$34 million per annum. This demonstrates the large-scale improvements in environmental resource use efficiency which are possible.

In addition, there will be a voluntary program for other large users through industry associations and targeted programs for key areas such as smaller commercial and industry resource users.

Improving waste management

In 2004, this government established the Towards Zero Waste Working Party to support the implementation of Victoria's Sustainability in Action — Towards Zero Waste strategy. The working party comprised metropolitan local governments, regional waste management groups, the Municipal Association of Victoria, the Victorian Local Governance Association and state agencies.

The working party recognised that, while the metropolitan regional waste management groups have served Victorian communities well in the scaling up of waste management to regional multi-council efforts, the current arrangements are inadequate to meet the challenges of delivering Towards Zero Waste.

The working party recommended:

- the establishment of a single metropolitan waste management group to replace the northern, south-eastern, eastern and western metropolitan regional waste management groups;
- a new metropolitan-wide strategic waste planning framework;
- a metropolitan local governments waste forum;
- a framework for procurement of waste management and resource recovery services.

These reforms have the broad support of the metropolitan councils, local government peak bodies and the waste management industry.

This bill delivers on these reforms.

The Metropolitan Waste Management Group will be a statutory body corporate with an eight-member board. Half of the board members will be nominated

representatives of the 30 metropolitan councils while the other half will be skills-based nominees of the Minister for Environment.

As the successor body to the four metropolitan regional waste management groups, the new Metropolitan Waste Management Group will be funded through the landfill levy distributions currently allocated to the four metropolitan regional waste management groups.

The Metropolitan Waste Management Group represents a unique partnership between the Victorian government and the 30 metropolitan councils. A key function of the new group will be assisting councils in the procurement of multi-council regional waste services. Procurement directions and/or guidelines, to be issued by the Treasurer, will ensure that the councils are fully engaged in the processes and that risks are fully identified, quantified and assigned so that the interests of all parties — councils, contractors and the Victorian government — are properly protected.

The metropolitan local governments waste forum will serve as a conduit between the individual councils and the new Metropolitan Waste Management Group. It also provides a mechanism for the 30 councils to determine their four members on the board of the Metropolitan Waste Management Group. These members of the board will therefore have a clear line of accountability to their constituents, the metropolitan councils, through the forum. It is understood that councils may prefer that their representatives on both the forum and the board are sitting councillors. In recognising this, the bill provides that the rules for such council representation and other matters are to be determined by the councils themselves through the forum. The bill does not impose any particular model on local government but provides councils with the flexibility to determine their own representation.

The bill also establishes a new strategic planning framework for solid waste management and resource recovery for metropolitan Melbourne. This strategic planning will complement Melbourne 2030 to provide clear direction for the facilities and services that will be required to manage waste and achieve the resource efficiency goals of Towards Zero Waste. The planning framework established by the bill requires a consultative and transparent process that engages key stakeholders including local government and industry.

The continued engagement of metropolitan councils in these new arrangements is essential. While the Metropolitan Waste Management Group will provide a capacity for the planning and establishment of broad-based waste management and resource recovery

services, it is important to acknowledge and recognise that each of the 30 metropolitan councils will continue to be responsible for the provision of waste management to their local communities. For example, councils will remain responsible for considering the options available for the disposal of waste that they collect. While the new Metropolitan Waste Management Group will have a key role in establishing new options and alternatives available to councils, it will be the responsibility of councils to determine the option that best meets their needs and circumstances.

The bill's proposed reforms to metropolitan waste management arrangements represent an agreed way forward by metropolitan local governments and state agencies for delivering this government's Towards Zero Waste strategy.

Reducing plastic bag waste

In the Sustainable State, this government established a commitment to reduce the impact of plastic shopping bags in Victoria's streets, beaches, landfills, creeks and waterways. Plastic bag waste can threaten wildlife, cause drains to block and overflow, and create amenity problems. For these reasons, plastic bag litter continues to be a prominent community issue.

In 2003, environment ministers around Australia agreed to the objective of phasing out lightweight plastic shopping bags by the end of 2008. In 2003, ministers also endorsed the voluntary code of practice for the management of plastic carry bags, which committed large retailers such as supermarkets to a 50 per cent reduction in plastic bags distributed by the end of 2005.

This bill introduces into the Environment Protection Act 1970 a head of power to create regulations to establish controls over the 'free' distribution of plastic bags by Victorian retailers. Under the regulations, retailers would be required to charge a minimum prescribed fee (such as a minimum of 10 cents) per plastic bag. Appropriate exemptions will apply, for example, where a bag is required for health and safety reasons such as bait bags or bags for fresh foods. This, and other exemptions, along with the detail of the requirements will be outlined in regulations to be developed following public consultation.

Importantly, government does not intend to make regulations immediately, but this head of power clarifies the capacity to regulate in the future if plastic bag consumption is not further reduced through voluntary action.

Reducing red tape

The Environment Protection Authority receives strong feedback about the value of the works approval and licensing system, which is seen to provide business investment certainty, and assurance to the broader community and business that consistent standards are enforced.

To further improve the effectiveness of the current Environment Protection Authority licensing system, this bill institutes two significant changes in the way in which licences are governed.

Firstly, the Environment Protection Authority will be empowered to accept applications for the amalgamation of existing separate licences for premises controlled by the same licensee into a single 'corporate licence'.

This approach will assist the Environment Protection Authority to streamline licence development, monitoring and management processes for multipremises operators. This will benefit many businesses with more than one licence, by enabling the integration of environmental issues into the broader corporate group, rather than on a site-by-site basis. This reform will also be supported by internal administrative improvements to the way the Environment Protection Authority manages licences.

Secondly, the bill clarifies and standardises annual reporting requirements across licensed firms. Currently, many licensees have between 5 and 10 components to their annual environmental reporting. These reports are often submitted to the Environment Protection Authority separately and generally in a hard copy.

This bill addresses this inefficiency by requiring licensees to report annually by way of a 'performance statement' signed by a representative of the licensee. Where a licensee's performance does not meet licence conditions, a summary of failings and actions taken or proposed to address that failure will accompany the statement.

The proposed amendment makes it an offence for a licensee to fail to submit a performance statement by the required date, or to provide false or misleading information to the Environment Protection Authority, or to conceal information from the Environment Protection Authority.

A provision in relation to self-incrimination will prevent information in a performance statement being used as evidence in proceedings for an offence (except for the offence of providing false or misleading

information or concealing information). This will encourage frank disclosure by licensees.

These changes, which have come about through consultation with current licensees, are designed to create administrative savings and reduce compliance complexity.

Finally, this bill also improves the clarity around the requirements for scheduled premises by removing the antiquated schedules 1 to 6, and replacing them with a single definition of 'scheduled premises'.

Preventing pollution

The primary focus of existing enforcement sanctions under the Environment Protection Act 1970 is on punishing the offender and deterring through punishment future breaches of the act. While it is critical to environment protection, this enforcement approach does not require systemic changes to be made which will help prevent similar breaches in the future.

To address this shortcoming, this bill introduces a capacity for the Environment Protection Authority to enter into a voluntary enforceable undertaking with an offender in relation to a breach of the act or regulations made under the act. An enforceable undertaking is a voluntary, negotiated, written set of promises given by an offender as a part of a settlement for contravention of an act.

Should an offender fail to comply with an undertaking, the authority will be empowered to seek a court order for compliance. Failure to comply with such a court order may result in the commencement of proceedings for contempt of court.

This enforcement model has been adopted by the Australian Securities and Investments Commission, Consumer Affairs Victoria, the Victorian WorkCover Authority, and most recently in NSW environment legislation.

To ensure transparency in the use of this enforcement mechanism, the use of enforceable undertakings will be governed by publicly available guidelines made under the act, and all undertakings will be made available to the public.

Cleaning up contaminated land

Contamination of land and ground water can pose a risk to the environment, impact on human health and impede site redevelopment.

In some cases, corporate structures prevent the clean-up of sites which have been polluted in the chase for corporate profits. Corporate structures should not be used to quarantine liability for polluting behaviour, and it is important that the law makes it clear to parent companies that they can not escape responsibility for polluting activity that a subsidiary company has been allowed or encouraged to undertake.

Business interrupted pursuant to standing orders.

SNOWY HYDRO CORPORATISATION (PARLIAMENTARY APPROVAL) BILL

Second reading

Debate resumed from earlier this day; motion of Mr THWAITES (Minister for Water).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

ENVIRONMENT PROTECTION (AMENDMENT) BILL

Second reading

Debate resumed.

Mr THWAITES (Minister for Environment) — This bill empowers the Environment Protection Authority to order a parent company to accept responsibility for clean up where their subsidiary is liable for clean up measures under section 62A of the Environment Protection Act 1970.

This change will clarify community expectations that companies operate in a way which protects the environment. It will also reduce the risk that Victorian taxpayers can be left with a hefty bill if a subsidiary company does not have the funds to pay for the clean up of a contaminated site.

The bill limits the exercise of this power to corporations which meet a specific test of control in relation to the polluting conduct. Further, a corporation will not be made accountable where they can reasonably satisfy the Environment Protection Authority that they took all reasonable steps to prevent the polluting conduct.

This significant reform is modelled on provisions in the Corporations Act 2001 which attaches liability to parent companies for the insolvent trading of a subsidiary. It also ensures that the polluter pays for the rehabilitation of contaminated land in Victoria.

Further, this bill also clarifies the nature of clean up notices by making it clear that they are issued for the purposes of clean up as well as ongoing management of a site. The conditions which the Environment Protection Authority may specify in a notice will remain unchanged.

Achieving reductions in hazardous waste

Prescribed industrial waste is produced in the manufacture of goods and services that Victorians use on a daily basis. These wastes are potentially hazardous, and need to be managed appropriately. Reducing the generation and disposal of prescribed industrial waste is a high priority for this government and the community.

In order to ensure that the levy for disposal of these wastes appropriately reflects the level of community concern about potential health and environmental impacts, this bill provides for the changes to the existing 'one size fits all' prescribed industrial waste landfill levy. From 1 July 2007, different levies will apply to wastes of different hazard levels being deposited to landfill.

Specifically:

Disposal of category B, or higher hazard, prescribed industrial wastes and high-level contaminated soils to landfill will attract a levy of \$130 per tonne.

Disposal of category C, or lower hazard, prescribed industrial wastes and low-level contaminated soils to landfill will attract a levy of \$50 per tonne.

The current landfill levy of \$30 per tonne for asbestos waste will remain unchanged to encourage safe handling and disposal of asbestos.

No levy will apply to the deposit of wastes to the long-term containment facility when it is built.

The waste categories will be defined through changes to the Environment Protection (Prescribed Wastes) Regulations 1998.

Importantly, revenue from these levy increases will be re-invested by the Environment Protection Authority in partnership with industry to assist the elimination of the production of prescribed industrial wastes. This will

deliver significant outcomes through avoiding the generation of these wastes which continue to cause significant community concern.

Other amendments

This bill also makes a small number of additional amendments which are designed to improve the operation and effectiveness of the Environment Protection Act 1970.

The defence that a director had no knowledge of a contravention by his or her corporation is being repealed. This will bring the available defences for a director or person concerned in management into line with community expectations about how directors of corporations should discharge their duties.

The offence under section 27A(2) of the act of 'dumping' industrial waste is being amended to make it clear to a court that the acts of 'depositing' or 'discarding' waste at an unlicensed site are also clearly captured by the offence provision.

The ability to issue a single pollution abatement notice to more than one premise is being clarified to enable effective enforcement of the waste management policy (used packaging materials) and future product stewardship policies.

A technical amendment is being made to create a head of power to make regulations with respect to a national environment protection measure.

In order to avoid overlapping consultation processes, the Minister for Environment will be empowered to certify that the public consultation and impact assessment process for making a policy under section 16 or 16A or for a national environment protection measure has effectively met the same requirements as the sustainability covenant consultation processes as set out in section 49AE of the act. When the minister has made such a certification, the Governor in Council will then be able to declare that an industry has the potential to have a significant impact upon the environment under section 49AD.

Finally, the bill introduces a capacity to enable consent for an indictable matter to be heard summarily to be given in a defendant's absence. This will increase the chances of successfully and efficiently prosecuting a charge under the Environment Protection Act 1970 against a person who has fled the Victorian jurisdiction.

The bill before you today makes a significant number of changes to the state's most important piece of environment protection legislation, and makes

considerable progress in achieving this government's vision of a sustainable state.

I commend the bill to the house.

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until Thursday, 3 August.

Remaining business postponed on motion of Mr THWAITES (Minister for Environment).

ADJOURNMENT

The ACTING SPEAKER (Mr Nardella) — Order! The question is:

That the house do now adjourn.

North Balwyn Primary School: maintenance

Mr McINTOSH (Kew) — I have a matter for the attention of the Minister for Education Services. The matter I wish to raise concerns the condition of the facilities at the North Balwyn Primary School and the paltry sum the school has recently received to address all its maintenance requirements. The action I seek from the minister is to immediately allocate the necessary resources to permit North Balwyn Primary to carry out all items of maintenance in accordance with the agreed schedule.

North Balwyn Primary School is a great school with a tremendous teaching staff and a wonderful school community, which participates in every aspect of school life. It is a high-performing school, delivering high-quality education. However, all is not perfect. Some of the school's facilities have fallen into a state of disrepair and pose a risk to teachers, staff and particularly students.

I have visited North Balwyn primary several times over recent months and had the opportunity to discuss its maintenance issues with teachers, staff and parents. They were able to show me, first hand, some of their concerns. For example, I saw a corridor where the carpet was torn and badly curling at the seams, and the curls need to be held down by masking tape merely to prevent people from tripping over them. The masking tape has to be replaced regularly, given the high level of human traffic in the corridors.

While the school has a rule against running or skylarking in the corridor, quite obviously, the state of the carpet poses an inherent risk of injury, particularly to young kids. I do not need to remind the minister that

this should be reason enough to allocate the necessary resources; but I also remind the minister that she has a duty under occupational health and safety to ensure that the North Balwyn Primary School is a safe workplace not only for staff but also for kids.

The minister is the person who has the ultimate decision-making responsibility for health and safety at North Balwyn primary. This duty is owed not only to the school staff but all members of the public coming into that workplace, and most obviously school-aged children. Regrettably North Balwyn primary is just one example of the many government schools in my electorate that have received less than adequate funding for their maintenance issues and concerns in the most recent round of funding.

I ask the Minister for Education Services to provide the necessary school maintenance funding specifically to North Balwyn primary and generally to all government schools in my electorate, and to live up to her responsibilities under the Occupational Health and Safety Act.

Health: dialysis services

Ms MORAND (Mount Waverley) — I raise with the Minister for Health the issue of dialysis services and seek the minister's action to increase dialysis services for residents of the eastern and south-eastern suburbs.

One in three Australians is at risk of developing kidney disease. Kidney Health Australia statistics show that each year about 1900 Australians start dialysis or have a renal transplant, and nearly 500 of those are Victorians. The number of Victorians needing dialysis is increasing by around 6 per cent per year. Dialysis services are available throughout metropolitan Melbourne, and the closest service to my electorate and my constituents is at the Peter James Centre in Burwood East.

I have visited the dialysis centre at the Peter James Centre, which offers a great service with 12 chairs currently providing haemodialysis for patients. When I visited the centre last year not only did I run into a constituent of mine, I also met up with a former colleague of mine who had worked with me at the Royal Melbourne Hospital dialysis centre when I was a nurse there. She is now a senior nurse at the Peter James Centre.

Unfortunately more and more Victorians are presenting with renal disease and many present with chronic renal disease which has reached the point where there is no treatment available. It is a silent disease. It is a disease

which can progress with very few symptoms. I can well remember people presenting to the Royal Melbourne with virtually end-stage renal failure who had been well and fit and in some cases were young people who had no idea that they had renal disease. It is silent until it reaches the end stage, when there is only a small percentage of function left in the kidneys. At that stage there is no treatment available.

With a lot of kidney diseases there is nothing you can do to prevent them, and there is not necessarily any treatment, but there are causes of renal disease that are lifestyle related. Risk factors that increase the likelihood of adults getting chronic renal disease include high blood pressure, diabetes, smoking and obesity. High blood pressure affects one in four Australians and diabetes affects 7.6 per cent of Australians over 25 years of age. The top two causes of chronic renal disease are hypertension and diabetes. In fact, 30 per cent of new cases of renal disease are caused by diabetes. The risk factors can be reduced by altering our lifestyle, particularly with smoking. We need more people to reduce their smoking and increase their activity.

I ask the minister to respond by increasing the number of services in the eastern suburbs to meet the needs of those who unfortunately end up on dialysis.

Water: Campaspe pipeline

Mr MAUGHAN (Rodney) — I wish to raise a matter for the attention of the Minister for Water. It concerns providing funding for a pipeline proposal to transfer water from the Goulburn irrigation system to the Campaspe irrigation district.

As the minister will be very well aware, the government announced that it would provide \$30 million to assist in the construction of a pipeline from Colbinabbin to Lake Eppalock to better secure a water supply for Bendigo's urban and industrial users. He will also be aware of the difficulties experienced over recent years by Campaspe irrigators, who have had their water allocations very severely restricted and have been suffering a great deal of hardship. Those irrigators were considering a pipeline proposal well prior to Coliban Water and the government announcing the Bendigo pipeline proposal. They hoped when that proposal was announced that there might have been some benefit in it for them. Unfortunately there is nothing in it for them, and the pumping costs of about \$100 a megalitre are prohibitive from their point of view.

Currently the Campaspe irrigators are investigating a short pipeline, a 2.5-kilometre pipeline, that would transfer a maximum of 50 megalitres a day from the Goulburn system to the Campaspe system to provide greater security for Campaspe irrigators. Of course the irrigators would have to purchase that water on the open market, but they are currently investigating this pipeline proposal. Given that the government has committed to provide \$30 million towards the Bendigo pipeline for urban users, I seek a commitment from the minister that the government will consider providing a similar proportion of the cost of the Campaspe irrigators pipeline, which is estimated to cost \$3 million to \$5 million.

The government in other forums is only too happy to talk about the contribution that agriculture makes to the economy of the state of Victoria, and in particular the contribution of irrigated agriculture and the dairying industry specifically, which provides the largest exports from the port of Melbourne. These are irrigators and dairy farmers who provide all those additional jobs in processing, transport, sales and shipping.

I ask that the minister give very serious consideration to providing funding to assist Campaspe irrigators, through Goulburn-Murray Water, to construct this pipeline, which will make their irrigation entitlements far more secure than they currently are.

Cycling: Diamond Creek–Hurstbridge path

Ms GREEN (Yan Yean) — Tonight I raise a matter for the Minister for Transport. I ask him to support funding for the construction of a bicycle path between Diamond Creek and Hurstbridge. Government support for cycling has been unparalleled. I do not think there has ever been a government that has put so much funding and commitment into the needs of cyclists in this state.

Recently we saw with the announcement of the transport and livability statement that \$71.8 million would be put into cycle paths over the next 10 years to extend Victoria's network of bicycle and pedestrian paths. We also saw in this year's budget the announcement of a new state park along the Merri Creek parklands. This will provide 17 kilometres of a new bike path between Craigieburn and the metropolitan ring-road bike path. Also, following the completion of the Greensborough bypass bridge over the Plenty Gorge, there are cycle paths on that bridge for the first time. That is an indication of the support that cyclists have been given.

There is great community support for the bike path along the rail line between Diamond Creek and Hurstbridge. I am pleased to say that the Minister for Transport and the Department of Infrastructure have supported the council's developing a feasibility study for this bike path, provided it does not have any additional crossings which would pose a danger to people using the path, and also that there would be allowance along the rail line for future duplication that might be necessary.

Earlier this week I was pleased to receive a petition of 1483 signatures from NillumBUG — the Nillumbik Bicycle User Group — and I thank Kahn and Julie Franke and Lisa Bendtsen for coordinating that petition.

Mr Perton interjected.

Ms GREEN — No, Warwick Gleeson was not there.

That petition shows real community support for this project. I was also pleased to join a large community cycling effort a few months ago which was supervised by the police and organised by the Nillumbik Bicycle User Group. Hundreds of families rode from Diamond Creek to Hurstbridge along the road, showing their support for a bicycle path. The local community has spoken and said it is really supportive of this. I would like to thank the Peter Brock Foundation for its work in this regard. Hurstbridge Primary School has raised \$500 towards it. I commend the council for its work on the feasibility study, and I hope that by the end of the year that study will be developed and the council will be in a position to seek funding.

The area has bred some great local cyclists. I wish Cadel Evan, the young Arthurs Creek man who is currently sitting fifth in the Tour de France, all the best, and also Delys Starr for her work under difficult circumstances and placing very well at the Commonwealth Games this year.

Disability services: Greensborough accommodation

Mr PERTON (Doncaster) — I rise to ask the Minister for Community Services to immediately intervene to help the family of an intellectually handicapped man in the care of the Department of Human Services. Mr Shaun Low, who is severely autistic, is currently living in a community residential housing unit in Greensborough. He is sharing with three other men, one of whom severely assaulted him three years ago.

The unit is due to be closed shortly by the department, and the four men are all to be transferred to separate accommodation. However, the Lows, who live in my electorate, believe the department has not been able to find accommodation that provides a safe environment for their son. They are concerned that he will have a reduced level of care and access to transportation at the new facility. Despite this, the departmental staff have told them they will be enforcing the relocation, even though independent advice is against it. His parents believe such drastic measures could be detrimental to Shaun's behavioural management.

This action comes on top of years of frustration, emotional stress and anger suffered by the family over the manner in which DHS has managed this unit. They allege they have had to endure deception, delays and incompetence and faced several attempts to threaten their right to act as guardian for their own son, all initiated by DHS staff. They say DHS has not been able to address the issue effectively to ensure competing rights and needs are sorted out in line with its own policies and within the general principles of fairness, equity and justice that would apply to other citizens in Victoria facing a similar domestic situation. The family alleges these problems include mismanagement, lies, discrimination and victimisation.

In light of this situation I ask the minister to immediately investigate the circumstances surrounding this transfer and to ensure that the family's concerns are fully met. I ask that the independent review of the facility Mr Low is living in be released to the family.

Consumer affairs: share scams

Ms MARSHALL (Forest Hill) — I rise tonight to raise a matter for the attention of the Minister for Consumer Affairs in the other place. I ask the minister to take action to urgently investigate serial share scam activities and to ensure consumers are made aware of the risks associated with these activities. I call on the minister to raise this issue with the federal government at the next opportunity.

One of the most prolific serial share scammers of recent times is a man called David Tweed. David Tweed has scammed millions of dollars from investors all over Australia, some of whom have been residents of my electorate of Forest Hill. I am sure all members of this place are aware of how this despicable person operates. He is the director of several companies including the Country Estate and Agency Company, the National Exchange Corporation, the Australian and New Zealand Exchange, the National Share Purchasing

Corporation Pty Ltd and the Direct Share Purchasing Corporation Pty Ltd.

Mr Tweed's investment strategy involves targeting the share ownership of less sophisticated share owners, and in most cases they are the elderly. Mr Tweed makes his money by obtaining a list of a company's shareholders and then writing to those shareholders offering to buy their shares for a fraction of their true market value. Some have estimated that he has made in excess of \$30 million from these kind of offers in the past decade alone. One example that I personally have heard of is that when AMP shares were trading at around \$13 per share Mr Tweed offered shareholders \$2.50 per shares. Of course the majority of the people who took up this offer were the elderly who had little or no understanding of how the share market works.

Mr Tweed has ripped off thousands of investors for millions of dollars. Some of Australia's biggest companies, such as AMP and the Commonwealth Bank, are now seeking urgent action to stop his activities but the federal government is clearly ignoring this issue. Although it has taken some small steps to limit Mr Tweed's activities, such as ordering him to include the last trading price of the shares in the letters he sends to his potential victims, this is clearly not enough to put a stop to his underhand practices.

The federal Parliamentary Secretary to the Treasurer and member for Aston, Chris Pearce, was recently quoted in the *Herald Sun* as not being convinced anything should be done to stop Mr Tweed. This is completely unacceptable, and obviously out of touch with the opinion of the general public. The federal government needs to take steps to ensure that David Tweed can no longer operate such a deceptive scheme, as it is hurting some of the most vulnerable people in our community. Once again I ask that the minister take action to warn consumers about avoiding share scammers such as David Tweed.

Maroondah Hospital: funding

Mr HONEYWOOD (Warrandyte) — I raise a matter for the urgent attention of and prompt action by the Minister for Health. I call on the minister to rectify the appalling problems associated with inadequate staffing and bed shortages at Maroondah Hospital. Although this hospital is literally on the border of my electorate, and used to be wholly within my electorate, it is the closest emergency hospital service to the Warrandyte constituency and is obviously incredibly important to my constituents who require access to the health services the hospital provides.

However, it is of great concern that one of my constituents — or any other individual in need of medical care — can expect to be waiting for unacceptably long periods before being attended to. In a recent case a 79-year-old female East Ringwood constituent, who wishes to remain anonymous, was left on an emergency trolley in a corridor at Maroondah Hospital for almost two days. This horrendous situation was reported to me by Heidi Victoria, the Liberal candidate for Bayswater. The daughter of this elderly widow made the complaint directly to Ms Victoria. The daughter was disgusted by the treatment her mother received and the state of our public hospitals in general.

Here was a 79-year-old very frail lady who obviously was very unwell and in need of appropriate and timely medical attention. I want to make it absolutely clear that I make no criticism of the medical staff at Maroondah Hospital, who are obviously working under very difficult circumstances. I have been informed that they were in fact very helpful and courteous. However, their hands are tied by this government's insufficient funding allocation that forces situations like this to occur.

Mr Andrews — They have got record funding — more funding than ever before!

Mr HONEYWOOD — I take up the interjection 'more funding than ever before'. Of course in real terms, or in inflation terms, we can argue the nuances, but at the end of the day we cannot have 79-year-olds on trolley beds in a corridor for two days.

Whether it be drastically increasing waiting lists, the slashing of health services in regional Victoria, critical staffing shortages, equipment shortages or, in the case I raise today, two-day waiting times in emergency departments, this government is not meeting its own commitments — the commitments it gave to the people of Victoria in the 1999 election and subsequently. It said it would raise the high jump bar, but clearly it is going under the high jump bar when it comes to its own health service delivery.

The residents of my electorate and, of course, all Victorians have a right to receive medical care in a timely manner when it is required. They also surely have the right to receive that care in a dignified manner. In this case my elderly constituent did not receive medical attention in the way she deserved and that lapse in responsibility falls squarely on the shoulders of the Bracks government.

Clayton Road, Oakleigh East: pedestrian crossing

Ms BARKER (Oakleigh) — I raise a matter for the Minister for Transport. I ask him to take action to fund a pedestrian crossing in Clayton Road, Oakleigh East, between Dandenong Road and Ferntree Gully Road. The need for a pedestrian crossing in Clayton Road was initially raised with me by Mr Arthur Clark, an older member of the community who lives in Highland Avenue, Oakleigh East. He felt particularly that a pedestrian crossing should be available around the Streldean and Bayview avenue area of Clayton Road. I would like to place on record my thanks to Mr Clark for bringing this matter to my attention and starting the work needed to ensure a pedestrian crossing could be provided in this area.

There are a few reasons for the pedestrian crossing. There are many older people in that area and they prefer to catch a bus in Clayton Road. We encourage people to take public transport as much as possible. That bus could take them to Clayton for shopping or visits to the hospital or doctor, or simply to connect with other forms of public transport and keep them mobile. Certainly getting on and off the bus and attempting to cross Clayton Road is quite a dangerous exercise. Also, on one side of Clayton Road in this area is a community hall, the Monash Community Inn, a park, tennis courts and playground area, and for many of the families who live on Highland Avenue on the Oakleigh East side crossing that road is a dangerous exercise.

There has been a return of families to that area in Oakleigh East, and a survey that I conducted last year in the electorate clearly showed that the younger families in that area are seeking a pedestrian crossing as a safe way to get their children across Clayton Road to use the quite good recreation facilities on the other side of the road.

Each year since I have been elected I have held seniors morning teas in my electorate and for one of them in that area I use the Monash Community Inn. The need for a pedestrian crossing in Clayton Road around that area has been raised with me regularly. I thank Mr Clark and VicRoads for the discussions they have had with me over a period of time. We had to work through the issues of how you would put a signalised crossing in that area. I have been informed that the proposal has been scoped, that it is needed and that VicRoads has proposed it as a project that desperately requires funding. I urge the Minister for Transport to ensure that the funding for this much-needed pedestrian

crossing in Clayton Road near Bayview Avenue happens as quickly as possible.

EastLink: noise barriers

Mr WELLS (Scoresby) — The matter I raise is for the Minister for Transport and I ask him to take immediate action. The action I seek is for him to instruct Thiess John Holland to rebuild the EastLink mounds back where they should be. At present these huge mounds on which the tollway sits are within 6 metres of the back fences of people's properties in Wantirna South. The interesting point is that the residents received a map in March 2004 which clearly shows that the distance from the back fence to the bottom of the mound should be 30 metres and the distance to the noise wall should be 37 metres.

They sent me a picture and I went out and had a look. Unfortunately the distance from the back fence to the earth mound was only 6 metres. What they were told in March 2004 about the mound and what was going to be on the map is significantly different from what has actually happened. As I mentioned, the noise wall is supposed to be 37 metres away from the back fence, and of course that is now around about 15 metres.

The other interesting part of this problem is that there is no curve or kink in the road; the freeway or tollway is dead straight. For some reason Thiess John Holland has put a huge curve in the mounds. When we asked Thiess John Holland why there was this large, sweeping band, they said it was so it appeared more artistic for the drivers driving along the freeway, so that as they looked across they could see a big curve in the noise wall. But it is something different from what the residents were told.

When I also rang the publicity people on this matter they said the problem was that it was actually topsoil, which was going to be moved once the vegetation was planted. As I explained to the people in the publicity department, it is actually rock-solid clay. As these photos demonstrate it clearly is clay. When you walk up to the top, your boots get covered in clay. This is a permanent landmark.

We are asking for the minister to take immediate action and ask Thiess John Holland to deliver what they promised the residents back in 2004 with the plan, to make sure that this curve or kink in the mounds is taken out and that it is aligned with the rest of the tollway. I think the residents deserve much more than has been handed out to them.

Rail: Laburnum station

Mr ROBINSON (Mitcham) — The matter I raise this evening is also for the attention of the Minister for Transport. It relates to the government's recent announcement on the grade separation at Middleborough Road, a tremendous project which the government has allocated \$54 million for and which will substantially relieve transport and traffic congestion in the eastern suburbs.

I am asking the minister to consider a novel suggestion which has been put to me by way of commemorating this important project. It will involve the construction of a very large temporary station about 400 metres east of Box Hill for several weeks in early 2007 while the excavation of the rail line, which is going to be dropped below Middleborough Road, proceeds. It will be necessary to establish a new terminus at Box Hill where passengers can be transported by bus further east to Blackburn and vice versa.

The suggestion has been made that because of the significance of the project and the significance of this temporary station — which will exist only for several weeks before it is dismantled — the station should actually be given a name rather than just existing without a name. A public competition could be run, perhaps involving nearby schools to give the children a chance to suggest a name for the station.

I am always surprised by the great enthusiasm amongst railway buffs and enthusiasts. I think the station being constructed where it will be, and the role it will play in this important project, will be looked back on with great interest in years to come. I ask the minister to consider running a competition involving local schoolchildren, giving them the opportunity to suggest a name for this station which is going to be part of a fantastic project.

Responses

Ms KOSKY (Minister for Education and Training) — The member for Kew raised a matter for the attention of the Minister for Education Services in relation to North Balwyn Primary School and maintenance issues at the school. Clearly there has been a lot of additional money through the last budget that has gone into maintenance, but I will bring that to her attention.

The member from Mount Waverley raised a matter for attention of the Minister for Health in relation to increasing dialysis services in the region. I assure her that I will bring that to the attention of the Minister for Health.

The member for Rodney raised a matter for the attention of the Minister for Water in relation to a proposal for a pipeline between Colbinabbin and Lake Eppalock, and I know that he will pay attention to that.

The member for Yan Yean raised a matter for the attention of the Minister for Transport in relation to cycling improvements and cycling paths, and I will bring that to his attention. I know he is passionate about it.

The member for Doncaster raised a matter for the attention of the Minister for Community Services in relation to an autistic man in his electorate, and I will bring that matter to the attention of the minister.

The member for Forest Hill raised a matter for the attention of the Minister for Consumer Affairs in another place about share scamming, and I will certainly bring that to her attention.

The member for Warrandyte raised a matter for the attention of the Minister for Health in relation to services at Maroondah Hospital, and I will bring that to the attention of the minister.

The member for Oakleigh raised a matter for the attention of the Minister for Transport — who is very popular this evening! — about a pedestrian crossing, and I know he will pay attention to that matter.

The member for Scoresby also raised a matter for the attention of the Minister for Transport in relation to mounds and EastLink, and I know that he will burrow into that issue and provide a response.

The member for Mitcham raised a matter for the attention of the Minister for Transport, again, about traffic congestion in his electorate, and I know the minister will respond to that matter.

The ACTING SPEAKER (Mr Nardella) — Order! The house is now adjourned.

House adjourned 6.36 p.m. until Tuesday, 8 August.

