

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

**LEGISLATIVE ASSEMBLY
FIFTY-FIFTH PARLIAMENT
FIRST SESSION**

Thursday, 20 October 2005

(extract from Book 6)

Internet: www.parliament.vic.gov.au/downloadhansard

By authority of the Victorian Government Printer

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The Lieutenant-Governor

Lady SOUTHEY, AM

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Standing Orders Committee — The Speaker, Ms Campbell, Mr Dixon, Mr Helper, Mr Loney, Mr Plowman 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.

Environment and Natural Resources Committee — (*Assembly*): Ms Duncan, Ms Lindell and Mr Seitz. (*Council*): The Honourables Andrea Coote, D. K. Drum, J. G. Hilton and W. A. Lovell.

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, Mr Savage 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*): Mr Baillieu, Ms Buchanan, Mr Dixon, Mr Nardella and Mr Smith. (*Council*): Ms Argondizzo 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 R. K. B. DOYLE

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

The Hon. P. N. HONEYWOOD

Leader of The Nationals:

Mr P. J. RYAN

Deputy Leader of The Nationals:

Mr P. L. WALSH

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Carli, Mr Carlo	Brunswick	ALP	Maxfield, Mr Ian John	Narracan	ALP
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Cooper, Mr Robert Fitzgerald	Mornington	LP	Mildenhall, Mr Bruce Allan	Footscray	ALP
Crutchfield, Mr Michael Paul	South Barwon	ALP	Morand, Ms Maxine Veronica	Mount Waverley	ALP
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Hardman, Mr Benedict Paul	Seymour	ALP	Robinson, Mr Anthony Gerard	Mitcham	ALP
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Helper, Mr Jochen	Ripon	ALP	Savage, Mr Russell Irwin	Mildura	Ind
Herbert, Mr Steven Ralph	Eltham	ALP	Seitz, Mr George	Keilor	ALP
Holding, Mr Timothy James	Lyndhurst	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
Honeywood, Mr Phillip Neville	Warrandyte	LP	Smith, Mr Kenneth Maurice	Bass	LP
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Hulls, Mr Rob Justin	Niddrie	ALP	Thompson, Mr Murray Hamilton Ross	Sandringham	LP
Ingram, Mr Craig	Gippsland East	Ind	Thwaites, Mr Johnstone William	Albert Park	ALP
Jasper, Mr Kenneth Stephen	Murray Valley	Nats	Trezise, Mr Ian Douglas	Geelong	ALP
Jenkins, Mr Brendan James	Morwell	ALP	Walsh, Mr Peter Lindsay	Swan Hill	Nats
Kosky, Ms Lynne Janice	Altona	ALP	Wells, Mr Kimberley Arthur	Scoresby	LP
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 October 2005

The SPEAKER (Hon. Judy Maddigan) took the chair at 9.32 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 224 to 228 and 377 to 389 will be removed from the notice paper on the next sitting day. Any member who requires a notice standing in his or her name to be continued must advise the Clerk in writing by 2.00 p.m. today.

PETITIONS**Following petitions presented to house:****Racial and religious tolerance: legislation**

To the Legislative Assembly of Victoria:

The petition of the undersigned residents of Victoria draws the attention of the house to the decision of the Victorian Civil and Administrative Tribunal in the complaint against Catch the Fire ministries by the Islamic Council of Victoria, dated 17 December 2004. The decision has highlighted serious flaws in the Racial and Religious Tolerance Act 2001 which restrict the basic rights of freedom of religious discussion.

The petitioners therefore request that the Legislative Assembly of Victoria remove the references to religious vilification in the Racial and Religious Tolerance Act 2001 to allow unencumbered discussion and freedom of speech regarding religion and theology.

By Dr SYKES (Benalla) (169 signatures)
Mr SAVAGE (Mildura) (205 signatures)

Preschools: accessibility

To the Legislative Assembly of Victoria:

The petition of the undersigned residents of Victoria draws to the attention of the house that preschool education in Victoria needs urgent reform to ensure every Victorian child can access high-quality preschool education.

The petitioners therefore request that the Legislative Assembly of Victoria recognise that preschool is the critical first step of education and move responsibility for preschools to the Department of Education and Training.

By Dr HARKNESS (Frankston) (213 signatures)
Mr SAVAGE (Mildura) (372 signatures)

Flemington racecourse: flood protection wall

To the Legislative Assembly of Victoria:

The petition of the residents of Victoria draws to the attention of the house the impact of the building of the Flemington racecourse flood retention wall on surrounding residents.

The petitioner therefore requests that the Legislative Assembly of Victoria suspend the building of the flood wall until an independent and comprehensive hydraulic modelling of the Maribymong River (using the tide heights of the worst case scenarios) is undertaken and the impact of the construction on all stakeholders established.

By Mr BAILLIEU (Hawthorn) (3317 signatures)

Schools: religious instruction

To the Legislative Assembly of Victoria:

The petition of citizens of Victoria concerned to ensure the continuation of religious instruction in Victorian government schools draws out to the house that under the Bracks Labor government review of education and training legislation, the future of religious instruction in Victorian schools is in question and risks becoming subject to the discretion of local school councils.

The petitioners therefore request that the Legislative Assembly of Victoria take steps to ensure that there is no change to legislation and the Victorian government schools reference guide that would diminish the status of religious instruction in Victorian government schools and, in addition, urge the government to provide additional funding for chaplaincy services in Victorian government schools.

The petition of citizens of Victoria [is] concerned to ensure the continuation of religious instruction in Victorian government schools, and to provide additional funding for school chaplains.

By Ms D'AMBROSIO (Mill Park) (28 signatures)
Mr CRUTCHFIELD (South Barwon) (11 signatures)

Police: Geelong

To the Legislative Assembly of Victoria:

The petition of residents of Geelong and the Surf Coast draws to the attention of the house that Police Association analysis has found that Geelong and the Surf Coast are under-resourced by 76 police officers.

The petitioners therefore request that the Legislative Assembly of Victoria devotes more resources to police in the Geelong and Surf Coast region as a matter of urgency.

By Mr WELLS (Scoresby) (362 signatures)

Tabled.

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

Ordered that petition presented by honourable members for Frankston and Mildura be considered next day on motion of Dr HARKNESS (Frankston).

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

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

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

DOCUMENTS

Tabled by Clerk:

Public Record Office Victoria — Report for the year 2004–05

Subordinate Legislation Act 1994 — Minister's exemption certificate in relation to Statutory Rule No 126.

RAIL SAFETY BILL and TRANSPORT LEGISLATION (SAFETY INVESTIGATIONS) BILL

Concurrent debate

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

That this house authorises and requires the Speaker to permit the second reading and subsequent stages of the Rail Safety Bill and the Transport Legislation (Safety Investigations) Bill to be moved and debated concurrently.

Motion agreed to.

MEMBERS STATEMENTS

Pascoe Vale electorate: RSL sub-branches

Ms CAMPBELL (Pascoe Vale) — 'Serving still' is the motto of the Returned and Services League, and it is exemplified in the Pascoe Vale electorate by the work of the Pascoe Vale, Coburg and Glenroy RSL sub-branches. As each branch prepares for the Armistice Day commemorations I pay tribute on behalf my constituents and the wider community that is so ably assisted by RSL members and each branch's office bearers. Thank you to the Coburg president, David Thompson; the secretary, Godfrey Camenzuli; the treasurer, John Paterson; and the vice-president, Des

Bourke. Thanks also to Glenroy's president, John Fergie; the senior vice-president, Max Usher; the junior vice-president, Ken White; the secretary, Lance Smith; and the treasurer, Bert Laws.

It is the Pascoe Vale sub-branch with which I am most familiar, given that my father was an inaugural member there and still enjoys the friendship of its many members. As well as the traditional work with sub-branches, Pascoe Vale has its statewide — in fact, nationally acclaimed — pensions and welfare office. I also pay tribute and express gratitude to the office-bearers there: Ted Richards, president; Tom Parkinson, senior vice-president; Bill Reid, vice-president; Gwenda Parker, secretary; Kerry O'Connor, treasurer; and committee members Neil Parker, Jim Higgins, Lockie Purton and Ray Griffin.

One of the many brainchilds of that sub-branch is the marking of the last remaining evidence of Camp Pell, the place of discharge of most serving personnel after World War II. We look forward to collectively being able to bring this project to a successful conclusion.

Kew Residential Services: site development

Mr McINTOSH (Kew) — The Kew Cottages overdevelopment descends into an even greater farce. The Bracks government has now hypocritically demanded that the Boroondara City Council submit its views on yesterday's finally released development plan — within a mere 28 days. What a joke that is! Boroondara cannot enter into a meaningful community consultation within the mandated 28 days. Boroondara prides itself on public consultation, but is now placed in a ludicrous position by the Bracks government. That is galling, when you consider the 28 days in light of the Premier first announcing this project four years ago and the government riding roughshod over Boroondara, calling in the project some two years ago and suggesting that somehow Boroondara was dragging its heels. Boroondara has a court proceeding currently on foot seeking greater clarity as to precisely what the government proposes in its overdevelopment at Kew Cottages.

The very thin Walker Development Plan still has no traffic survey and information on what it proposes to do with the extra traffic that the overdevelopment incorporates; no proposal for freeway noise attenuation fences; no assessment of how the surrounding schools and kindergartens will cope with the influx of extra school-age children; and certainly no details about the secret profit-sharing arrangement with the developer.

The 28 days the Bracks government has demanded just reinforces that the high-rise high-density overdevelopment at Kew Cottages is yet another Bracks government grab for cash.

Industrial relations: federal changes

Dr HARKNESS (Frankston) — I was gobsmacked last week when I was listening to federal Parliament. The Prime Minister was asked a question about Billy:

... an unemployed job seeker who is offered an AWA which explicitly removes award conditions for public holidays, rest breaks, bonuses, annual leave loading, allowances, penalty rates and shift and overtime loadings ... is it not the case that Billy has no choice but to accept the job or remain unemployed? Isn't Billy's experience going to become the standard experience for all Australian employees moving to new jobs?

John Howard responded to this question by stating:

... Billy in that example was out of work and, therefore, it stands to reason that he is infinitely better off taking the contract under those conditions.

John Howard is saying that people should take a job even though their rights and entitlements have been ripped away from them. It is an outrage!

I also note the disgraceful use of taxpayers money being used to promote this atrocious Liberal Party policy. Each day the Howard government is spending \$1 million on newspaper and television and radio advertisements. To add insult to injury, last week it wasted even more taxpayers money by pulping 60 000 brochures so that more spin and propaganda could be put into them. If Frankston were to be given \$1 million each day it would be able to fund its aquatic centre in about three weeks. I call on the local Liberal Party representatives in Frankston and the Mornington Peninsula to put the workers in their electorates first and to stand up to John Howard.

I was also interested to note that the online publisher, Crikey, has been receiving emails from people who have been employed at the WorkChoices hotline operation. They have given the inside story, telling about a lady who was told that she could have a 38-hour week when in fact it is annualised.

Fuel: prices

Mr MAUGHAN (Rodney) — The state government must immediately increase funding to the state-funded associations providing services to people with disabilities to compensate them for a very significant increase in fuel prices. Organisations such as Murray Human Services in Echuca, which has a fleet of

light passenger vehicles to transport people to access day training services in Echuca, Kyabram, Kerang and Swan Hill, with outreach services at Rochester and Cohuna, have incurred cost increases for fuel of about 20 per cent, or \$13 500, for the year 2005–06, with no subsequent increase in funding from government. These organisations provide a vital service for people with disabilities and their families and are now faced with the impossible choice of cutting services or operating at a loss. Some clients travel up to 700 kilometres per week in order to access services. The government has received a windfall gain in the form of its share of the GST levied on higher fuel prices.

I call on the government to utilise some of the unexpected revenue to compensate day training centres that provide transport services for clients to access these services for the increased cost of fuel and to index that funding to the rise or fall of the goods and services tax revenue received by the state on fuel prices.

Melbourne Storm: presentation night

Mr LOCKWOOD (Bayswater) — Recently I attended the Melbourne Storm's presentation night, which had the theme A Stormy, Stormy Night. The highlight for me was the presentation of the club's first life memberships to Robbie Kearns and Matt Geyer. The club was established in 1998 and has been very successful in its first eight years. It won a premiership in 1999, only its second year in existence. Much of this success is attributable to Robbie and Matt and players like them, not just for their skills but for being the kind of people they are, leading the way with their dedication and commitment.

Cameron Smith was voted the player of the year with a dominating display. He has had a great year, receiving the Ron McAuliffe medal for being the best Queensland player in the State of Origin series. Jake Webster received the most improved player award. Rookie of the year was Brett White, Matt King was back of the year, Dallas Johnston was forward of the year, and Dallas and Matt shared the prize as most popular players of the year from the supporters club.

There is no doubt that the Storm has a great future in Melbourne. It is showing the Sydney clubs a thing or two about the game they thought they owned. It is developing young talent right here in Victoria by providing sporting opportunities. It will have a new home in a couple of years, which will help it grow.

Recognition is very high and Melburnians love it when Storm kicks butt in Sydney. All it needs now is a bit of

recognition in the Melbourne media, especially the station with the television rights. Last Saturday night Channel 9 had the rights to a very exciting New Zealand versus Australia match, yet chose to hold the broadcast back until 11.30 p.m. Surely it could do better with such a great spectacle. All sports fans love a great spectacle, and rugby league is certainly that.

Planning: Monash scheme

Mr BAILLIEU (Hawthorn) — The Bracks government went to the last two elections promising to protect neighbourhood character. Indeed on page 8 of *Planning for the Future — Labor's Policy for Planning* the promise reads:

Labor will reform planning processes to better protect the residential character of our suburbs and towns.

Six years later many throughout Victoria are still waiting for that promise to be delivered. Melbourne 2030 has already had a dramatic impact on local communities. Eventually the government released its proposed design guidelines for neighbourhood character, but councils, such as the City of Monash, are less than impressed with the outcome. In fact at a council meeting on 20 September the decision was made that the modifications proposed by the council to the existing neighbourhood character provisions in the Monash planning scheme should be abandoned. Those proposals were first raised by the council in 2002 and finalised in early 2003; however, subsequent panel reports on neighbourhood character amendments in Nillumbik and Knox threw such provisions into uncertainty, and the government has not acted to support such proposed amendments.

Accordingly in September the City of Monash endorsed its officers' report, which amongst other things concluded:

The department has not clarified its support for neighbourhood character amendments.

The interpretation of Melbourne 2030, lack of support for character statements and the potential impact of detailed housing statements create a scenario where the neighbourhood character gains achieved by council in the past and that are included in the planning scheme may be either lost or devalued through an amendment process at this time.

I suggest that the part-time Minister for Planning acquaint himself with the planning policy his party took to the election.

Industrial relations: federal changes

Mr LUPTON (Pahran) — A meeting of men employed at a manufacturing plant in Sunshine was held one lunchtime in protest at the men having to work overtime for ordinary rates. Evidence before the then Industrial Court heard the employer claim that the firm had given a bonus to employees at the end of the previous year, therefore it was not fair to expect extra pay for overtime. Overtime was abolished for a while. The employer did not mention that the bonus was paid mostly to the foremen and others whose duty was to extract the greatest amount of work from the men.

The employer in that case was H. V. McKay and the case became known as the Harvester judgment; it was decided in 1907 by Justice Henry B. Higgins, a former member of this house. It stated the guiding principle of a fair and reasonable wage. His Honour stated that when an employer chose:

to economise at the expense of human life, when his economy involves the withholding from his employees of reasonable remuneration or reasonable conditions of human existence —

this falls short of what is fair and reasonable.

The proposals foreshadowed by the Howard government to change the industrial relations system include the possibility that working people will be subject to employment conditions that do not entitle them to overtime rates of pay for working overtime. This is only one of the many ways that the federal proposals threaten the living conditions of families. These practices were rejected in 1907 and are still rejected by the Australian community today.

Yarra River: water quality

Mr PLOWMAN (Benambra) — Given that this is National Water Week I was amazed to hear the announcement in the media this morning that the Minister for Water is releasing a discussion paper on the future of Melbourne's water supply. The plan includes a proposal to pump an additional 30 gegalitres of water from the Yarra River at Dights Falls to be treated in a new plant. It is proposed that this water will go directly into Melbourne's water supply as drinking water.

Earlier this year the water at Dights Falls caused two kayakers to become seriously ill. The water quality there is so bad that most of the eels in that part of the Yarra have died. In fact 480 cases of pollution spills in the lower Yarra and its associated waterways have been reported to the Environment Protection Authority over the last 12 months. Surely if the government is serious

about taking more water from the Yarra River, it would be safer to take it from higher in the Yarra catchment to avoid the pollution of stormwater and contamination from septic tank discharges and dog faeces.

It would also be a physical impossibility to take an additional 30 billion litres from the Yarra at Abbotsford unless the government plans to break its promise not to build any new storages in Victoria over the next 50 years.

Housing: West Park neighbourhood renewal

Ms BUCHANAN (Hastings) — The mark of any fair and just government is its commitment to empowering those who currently face a lesser prospect of reaching their full potential. With the recent announcement by the Premier that the community of West Park in the Hastings electorate would be the site of a neighbourhood renewal program, the government has again demonstrated how it is governing for all Victorians.

The West Park community will benefit from the injection of some \$1.2 million over the next three years, creating many opportunities for residents to live, study and work. Residents will be involved in making the community more environmentally friendly, making streets safer, developing new enterprises and creating new training and employment opportunities. The community action plan will outline the priorities identified by the West Park community, which will be able to apply for funding from the \$11.4 million pool available for capital works in neighbourhood renewal areas. Neighbourhood renewal will support the community to make a lasting difference in West Park.

I acknowledge many community supporters, such as manager Joe Cauchi; Cr Brian Stahl, the chief executive officer of the Mornington Peninsula Shire Council; Good Shepherd Youth and Family Services; principal Brian Forward from Hastings West Park Primary School — and the government recently invested over \$1.5 million in the construction of 12 new classrooms and buildings for the school — and the Reverend Alex Packett from the Holy Trinity Church, Hastings. Most importantly, I wish to thank the residents of West Park, whose spirit, determination and courage have not been dimmed by the neglect of previous governments and their lazy representatives. I look forward to continuing to work with the West Park community on this very important project. West Park, it is now your time to shine!

Boating: life jackets

Mr INGRAM (Gippsland East) — Victoria is a great place to live, work and overregulate every enjoyable family activity. Recently a regulatory impact statement on the compulsory wearing of personal flotation devices was released, and it is just another example of the nanny state regulations governments try to impose to make it compulsory for people going about their normal activities to do something.

This policy seems designed to make all boat operators, the majority of whom are responsible mariners, change their practices to account for the minority of irresponsible idiots who continue to endanger themselves and others on the water. The discussion paper highlights the fact that in the 11 boating fatalities in recent years the boat operators were in breach of the current boating regulations because personal flotation devices were not available for all occupants of the vessels.

This policy has been described as comparable to the introduction of compulsory wearing of seatbelts in cars. This is not a fair or just comparison, because, as the discussion paper clearly states, only a small number of injuries will be prevented by this change, whereas in the first six years of the compulsory wearing of seatbelts, 1400 lives were saved and multiple injuries were prevented. This is not a fair comparison, and the changes should be stopped.

St John's, Blackburn: 115th anniversary

Mr ROBINSON (Mitcham) — The past fortnight has seen two significant events in the Mitcham electorate. Sunday, 9 October, marked the 115th anniversary of St John's Anglican Church in Blackburn. A large number of people attended the special service at 9.30 a.m. Officiating at the service was St. John's resident clergyman Reverend Dr John Batt and Bishop Stephen Hale. St John's is the oldest church in Blackburn. Its history is very much the history of Blackburn. Congratulations are in order to those involved in preparing for the day, in particular those who contributed to the wonderful display of historical materials.

Mitcham Primary School: rebuilding

Two days later, on 11 October, a large crowd gathered at Mitcham Primary School to mark the Premier's formal opening of stage 3 works at the school. I was pleased to attend with a number of other MPs. The school's rebuilding marks the magnificent transformation of the building since 1999.

Almost \$2 million has been spent on the works, including a new administration centre and staff office, a new library, dedicated space for English-as-a-second-language classes, and four new classrooms with interactive computer whiteboards.

The school has served the Mitcham community in different locations with excellence for 120 years. Congratulations are in order to Ian Sloane, the principal, who has done a mighty job, and Su Seng Hoh, the school council president. In the words of the principal, others who need to be acknowledged include Andrew Wisken, Ray Prudden, Megan Bren-Clarke, Karen Carter, David Sparks and Malcolm Ansell.

Boronia Grove Reserve, Doncaster

Mr PERTON (Doncaster) — I rise to highlight some disturbing activities within the Doncaster electorate at the Boronia Grove Reserve. Last week I attended the reserve with some local residents and saw evidence of drug taking. I picked up four syringes, including one without a cap, next to the scout hall at the reserve. Residents are deeply concerned that drug trafficking is taking place at the reserve almost every evening and that this activity is taking place in the most flagrant way. Obviously there are dangers not only to children from the syringes that are being left at the reserve but also to residents who are trying to control the area.

What I find particularly annoying is that I raised this matter with the police and with the local council in January this year and was told that they would investigate. It appears they have not done so. I have again raised the matter with the local police inspector, and I hope that action will now take place. It is intolerable for residents that drug taking is happening in that area, with all the dangers that that entails, as I have said, not just for the neighbours of the park but for the children of the area.

Schools: reading challenge

Ms ECKSTEIN (Ferntree Gully) — Over the last week or so I have been presenting certificates to students from my electorate who have successfully completed the inaugural Premier's reading challenge. The challenge required students in years 3 to 9 to read at least 12 books in six months, with all students successfully completing this task receiving a certificate signed by the Premier. A total of 650 students from schools in my electorate read more than 7500 books to successfully complete the challenge.

The schools in my electorate that took part were Fairhills Primary School, Heany Park Primary School, Karoo Primary School, Kent Park Primary School, Lysterfield Primary School, Mountain Gate Primary School, Park Ridge Primary School, St John the Baptist Primary School, St Simons Primary School, Ferntree Gully College and Rowville Secondary College.

The Premier's reading challenge is a fun way to encourage children to read and to improve their literacy skills. Reading is a fundamental building block for success at school and later in life. I understand that the bar for next year's reading challenge will be raised even higher, requiring students to read at least 15 books in six months. As well as that, additional titles are to be added to the book lists for 2006.

I would like to congratulate all the schools and students who took part in the inaugural 2005 Premier's reading challenge, particularly those who successfully completed the task. I am sure that many more schools and students will take part in the challenge in 2006.

Alexandra Secondary College Cooperative: funding

Dr SYKES (Benalla) — I wish to raise for the attention of the government a situation drawn to my attention by Mr John Birtchnell, chairman of the Alexandra Secondary College Cooperative. This cooperative was formed in 1961 with the purpose of financing school building projects. Mr Birtchnell's letter to me states:

Historically, the cooperative has always been empowered to fund an approved project with a 100 per cent loan from an approved lending authority and the interest thereon has always been subsidised in varying amounts by the state government, and a government guarantee has secured the debt for the borrower.

As of the beginning of this year, the state government has decreed that only 70 per cent of the project cost can be borrowed, leaving 30 per cent to be found by the community. The logic of this is beyond explanation and has meant an approach to local organisations for support, such as the annual truck and ute show, the local service clubs et cetera.

The cooperative has assisted with the building of the college assembly hall and its extension, and again with the cafeteria addition and the squash courts at the leisure centre. These projects amount to a total over the years of \$156 131, all of which has been repaid. Now there is a new building project to fund the annex to be added to the autoprac facility at the new technology wing.

I call on the government to review this situation and ensure that community initiatives such as the Alexandra Secondary College Cooperative are not strangled by red tape.

Alison Carlson and Rick Bruce

Ms MUNT (Mordialloc) — I would like to take the opportunity this morning to congratulate two members of my community on their wonderful service to our community.

Firstly, I congratulate Alison Carlson of Parkdale who recently received the Premier's Senior of the Year award for 2005. Alison is a retired teacher who has committed a lot of time and energy to working with the University of the Third Age (U3A) in my area which is a wonderful organisation. Alison has been a volunteer class leader with Kingston U3A and also spreads the word about the fun and stimulation of U3A activity to Probus clubs, retirement villages, Returned and Services League clubs and aged care centres.

I would also like to pay particular tribute to Mr Richard Bruce, whose retirement function I attended last night. Rick was the principal of Mentone Primary School for 18 years and had a 39-year career with the department of education. He has provided great service to education in our area. Rick has been a wonderful principal at Mentone primary; he has been inclusive, caring, compassionate and provided a great start for many of the children who came to the school. I congratulate him on the great contribution he has made to the children, families and the schools in our area.

Housing: government initiatives

Mrs SHARDEY (Caulfield) — It was with great fanfare in March of this year that the Minister for Housing in another place, Ms Broad, announced a \$20 million Building More Homes Together program, which is a program involving the private sector whereby developers and builders will construct social housing for the state government on Office of Housing land. The \$20 million is supposed to build 170 public and privately owned houses.

When referring to the program and public housing at the launch, the Minister for Environment, the Honourable John Thwaites, said: 'We do not want to have housing ghettos. We want to see communities that are working together, and that means you might have affordable housing in middle class areas; you may have it in areas that are quite affluent'. That all sounds very good. We really do live in an egalitarian society. Why then is the Bracks government keeping secret the suburban location of where the houses under this program are to be located? Why, when requests are made under freedom of information, does the Bracks government claim there are public interest concerns, arguing that revealing where the homes would be

'would unnecessarily concern residents'? Could it be that the minister has something to hide or is that this government finally does not believe even its own rhetoric? So much for open and transparent government.

Timbarra residents group

Mr DONNELLAN (Narre Warren North) — I rise today to congratulate the endeavour of the Timbarra residents group, and specifically the office-bearers. Brian Miller, the long-term secretary of the group, has worked assiduously for over 10 years on issues which affect residents in that particular subdivision. Brian does this in his spare time with no pay and little recognition from the local residents. Brian has worked on such issues as small bridges, linking recreational space within the subdivision, tree-planting exercises, accident hot spots and the like. Nothing is too big or too small for Brian to take on.

Brian was one of the first people to move into the Urban Land Corporation subdivision, and he has really driven the committee along with a few other volunteers, including Geoff Taylor. It is very difficult to do this job, which includes such things as the monthly newsletter, since very few people are happy to personally get involved. Year after year the same people do the work — Brian and Geoff — while others who enjoy the benefits continue to sit on the sidelines. I congratulate Brian and also Geoff for their continuing commitment to their local community.

Schools: reading challenge

Mr WILSON (Narre Warren South) — In recent weeks I have been visiting the fantastic local schools in my electorate. At several schools I assisted with the presentation of the Premier's reading challenge awards to the many students who successfully completed their allocated reading. I am sure members are aware that to successfully complete the challenge, each student needs to read 12 books, and I note that some of my grandchildren have participated in this enjoyable task.

However, at one of the schools in my electorate, Narre Warren South P-12 — and I note the schools in the growth corridor are often large — more than 150 students were presented with certificates for reading those 12 books. At the school, the year 3 English coordinator noted the Premier's challenge earlier this year and believed it was a great opportunity to increase the recreational reading of the year 3 students. The teacher thanked the large number of parents who strongly encouraged their younger children to be involved in the challenge and to continue to read

to achieve their target of 12 books. With the hundreds of other students watching, more than 150 students received their certificates and I congratulate these students, their teachers and their parents at Narre Warren South for a great effort.

In the area of literacy improvement I note the excellent work being done by the Casey-Cardinia library service staff in promoting reading to the many thousands of young people in my electorate. Narre Warren library and Hampton Park library are very well used and are truly servicing the needs of the electorate. We have a good literacy level in our community, but with the work done by groups such as our teachers and the library staff we can all expect the literacy levels to improve.

Industrial relations: federal changes

Mr JENKINS (Morwell) — I wish to talk about the effect of the Howard federal Liberal government industrial relations laws on workers and families in my electorate and in Victoria. Workers and families working cooperatively with successive governments have delivered unprecedented growth, industrial harmony and productivity to our state, and this is how they are rewarded.

The Liberals and Nationals' proposals will withdraw the stability, wage guarantees and compensation for non-family friendly hours that have formed the basis of our way of life. I applaud calls by church leaders, community groups and community leaders, who have done what almost all Liberal and Nationals politicians have failed to do — that is, stand up for families and workers and stand up for those who are most at risk from these reforms. Women, the lower skilled, the very old and the very young, and people in regional areas, will be devastated by the Howard government's lowest common denominator approach to work choices.

Areas such as Gippsland, which is still labouring under high unemployment consequent to the anti-country and anti-Latrobe Valley policies of the previous government, will be particularly tempted to engage in the unscrupulous behaviour which is encouraged by this legislation. We know it will happen. Bad industrial relations laws make good employers bad. What happened to the simple principles of a fair go? What happened to making a real investment into skills and training? What happened to looking after families and communities?

They will all be sacrificed as a result of the Howard free-market rhetoric. I have news for the Prime Minister: it is not always about the market; it is about the community. The Howard government had a choice:

investing in a highly skilled, well-trained work force or a low-skilled, low-wages economy. He has made his bed; now he wants Australian workers to lie in it.

St Patrick's Primary School, Kilmore: ground water program

Mr HARDMAN (Seymour) — I rise to congratulate the students, parents and staff of St Patrick's Primary School in Kilmore who have been involved in the Goulburn Broken Waterwatch program. Monitoring to Action project coordinator, Kirsten Hogan, has been working with a very enthusiastic teacher, Derek Vogel, and the scientific ground water team from grades 5 and 6 — namely, Brandon Walker, Brittany Clark, Megan Narayan, Bede McKenna, Robert Higgins, Kate Hutson and Adam DeBono.

Those seven students have given up their lunchtimes each month to test four ground water bores and three surface water sites. The students were selected for their strong interest in science and all performed a variety of tasks associated with scientific investigation — recording the temperature and depth of the ground water at each site, its salinity content, turbidity and pH, and the amount of dissolved oxygen.

This week the students presented their findings to the 2005 Murray-Darling Basin Commission river health conference in Mildura. They have also met with scientists from the Commonwealth Scientific and Industrial Research Organisation and Melbourne University. I had the pleasure of presenting the team with special T-shirts which they wore this week to Mildura. It was great to see all the students at the school assembly learning about the work that students from their school had been doing and understanding the importance of having healthy waterways and ground water, which means healthy lives for us.

The ACTING SPEAKER (Mr Ingram) — Order! The member for South Barwon has 1 minute and 12 seconds to make his statement.

South Barwon electorate: football and netball clubs

Mr CRUTCHFIELD (South Barwon) — I would like to congratulate a couple of football teams in my area who have won premierships this season. I congratulate Geoff Miles, president of the Barwon Heads Football and Netball Club. The under 18s have just won their first premiership. Torquay had been undefeated all year and Barwon Heads came out and beat them in a wonderful last quarter of the grand final,

so congratulations to Geoff and the kids at Barwon Heads.

I am the no. 1 ticket-holder at South Barwon Football Club, and I congratulate coaches Glen Wallace and Dale Amos, and the president Richard Holtz. They have been the best side all year and ended up winning the grand final against Newtown. Congratulations also to South Barwon Netball Club and its president, David Morgan. The girls won three of the four senior premierships as well as a number of junior premierships and have been clearly the strongest club in netball in the Geelong Football League.

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

**MINERAL RESOURCES DEVELOPMENT
(BROWN COAL ROYALTIES) BILL and
MINES (ALUMINIUM AGREEMENT)
(BROWN COAL ROYALTIES) BILL**

Concurrent debate

Order read for resumption of debate.

**MINES (ALUMINIUM AGREEMENT)
(BROWN COAL ROYALTIES) BILL**

Declared private

The ACTING SPEAKER (Mr Ingram) — Order! The Speaker has examined the Mines (Aluminium Agreement) (Brown Coal Royalties) Bill and in her opinion it is a private bill.

Mr CAMERON (Minister for Agriculture) — I move:

That this bill be dealt with as a public bill and that fees be dispensed with.

Motion agreed to.

**MINERAL RESOURCES DEVELOPMENT
(BROWN COAL ROYALTIES) BILL and
MINES (ALUMINIUM AGREEMENT)
(BROWN COAL ROYALTIES) BILL**

Second reading

**Debate resumed from 5 October; motions of
Mr CAMERON (Minister for Agriculture).**

Mr CLARK (Box Hill) — The Liberal Party vigorously opposes these two bills. We have heard a lot from the government over recent times about sovereign risk and about tearing up contracts. A lot of spurious claims have been made, headed up by the Treasurer. Now in these two bills we have the Treasurer reverting to his form of past years in being willing and now able to tear up contracts. When he was Leader of the Opposition he threatened to tear up the CityLink contract. He was behind the threat to renationalise the TAB and undermined its float. Now he is tearing up agreements with companies who have invested in good faith in Victoria, and in doing so he is creating an enormous sovereign risk for one of the industries that is most vital to the future of Victoria — and I refer to our power industry.

We have heard a lot about the shortages of generation capacity in this state and about the renewed fears of blackouts over the coming summer. These two bills before the house simply add to the climate of enormous regulatory uncertainty that has been deterring investment in base-load power in this state since the Bracks government came to office.

We had the bizarre claim from the Premier in question time yesterday that the capacity of Victoria to generate electricity is being added to under the Bracks government. By contrast, he alleged that that had not occurred under the Kennett government. The fact of the matter is that under the Kennett government there was an enormous increase in the productive capacity of the base-load generating units in the Latrobe Valley. The availability of those units increased prodigiously, and that provided an enormous increase in the generating capacity of the state — an increase that took place without requiring any further investment in base-load capacity simply by using the existing assets more effectively. That was not only enormously beneficial to the economy and to the productivity of the state, it also reduced the call on the state's resources that were needed to generate that electricity.

In contrast, what we have had since the Bracks government came to office is a virtual drying up of interest in building new base-load generating capacity in Victoria. Certainly we have had some gas-fired and other stations of intermediate and peak load being established, and that is welcome. It is one of the consequences of the electricity industry reforms that were introduced by the Kennett government to open up the market, encouraging the market to respond to changing prices and make intelligent investment decisions. However, even that process has been dogged by continual union disruption and continual delays in

power stations coming into operation because of the maverick behaviour of the unions involved. I gather even a station at Somerton that is under construction is still being dogged by that sort of union disruption and therefore may not be available for this coming summer.

Not only do we have a complacent government that is failing to act on union disruption, we also have a government that has created further regulatory uncertainty through its inability to lay down a clear regulatory regime for emissions from future brown coal power stations.

That uncertainty hanging over the heads of an industry that needs to make decisions on a very long-term basis has been a blocker for further investment in a new base-load generating plant in the Latrobe Valley. As if that is not enough, we now have this legislation that tears up contracts, that gives the government unfettered power to impose any level of royalties it likes on this industry in abrogation of agreements that have been entered into by the state over many years.

We have heard the Treasurer raising all sorts of spurious allegations about this side of the house tearing up contracts in relation to EastLink. In the case of EastLink it is clear that what this side of the house has been proposing in terms of toll reductions is something that is envisaged by and would be implemented through mechanisms provided for in the contract itself. However, in this instance the government is itself admitting that it is abrogating these contracts. It makes it clear in the second-reading speech that there is no provision in the current Latrobe Valley licences allowing the royalties to be altered. I should say that these royalties are already subject to indexation, so it is not a question of maintaining their real value.

These are licences — entered into between the power company interests and the state, as the owner of these resources — under which the coal is mined and a royalty paid according to a scale set out in the licence. The government has now decided it wants to extract more revenue from the industry. It cannot do so under the licence — it is locked in under the contract — so, because it does not have the power to do so under the contract it has entered into, it is going to override those contracts. It will use its sovereign power to force legislation through this Parliament in order to impose higher royalties on those companies.

Of course that not only has a direct effect on the companies concerned but sends shock waves through the entire investment community. When you are asking someone to commit to a base-load power station, you

are asking them to make an investment over a time horizon of 30 or 40 or 50 years. How on earth can you expect anybody to make that sort of commitment when the Bracks government, under the power it is giving itself with this legislation, can now increase at a whim one of the fundamental cost drivers of the industry by any amount it sees fit to impose?

The government has already announced in the budget an effective doubling of the royalty rate in consequence of this legislation. As I understand it the royalty rate at the moment averages around 2.39 cents per gigajoule unit. Under this legislation it is going to be increased to 5.88 cents per gigajoule unit. It is to be more than doubled by just a stroke of the pen, by the Treasurer's fiat. He wants more money in the budget and is therefore going to tear up the terms of the licence agreements and is going to double the current royalty rate.

That is going to send shock waves throughout the investment community. How on earth are companies, and the Australian offices of international companies that have investments in the Latrobe Valley, going to persuade their head offices to commit to further investments in Victoria when their head office will know that the Bracks government has already given itself this power to abrogate agreements and may do so again at any time in the future, perhaps not only further increasing the royalty rate but tearing up any other aspect that it does not like of the contractual arrangements with power-generating companies?

I am told that this measure may add something of the order of 0.85 cents per kilowatt hour to the cost of generating electricity. There is some dispute as to whether or not or to what extent this cost may be passed on. It is clearly not going to have a direct effect on regulated retail contracts, because those are locked in by other arrangements that the government has put in place.

It may also be that this royalty does not affect the price at which generators sell electricity into the wholesale market, because it may be that this royalty is not something that affects the marginal cost of supply and therefore affects the price. In that case of course the cost falls on the generating companies. However, if it does flow through to the price, although it is not going to affect the regulated retail price of electricity, it is going to affect other consumers who derive their power through contracts that are linked to the market price. One way or another it is going to be a cost that flows through to others. There is no such thing as a free opportunity for the government to grab extra revenue

without imposing additional costs on others. The total cost of this royalty grab — at least at first instance — is estimated to be something of the order of \$15 million to \$17 million a year.

To abrogate licence agreements in the way the government is doing is a very grave step indeed as far as Victoria's reputation as a place to invest is concerned. To put the issue beyond any doubt, it should be made clear that a royalty is not in the nature of a tax. You may say that the government has the right to increase payroll tax, stamp duty, land tax or whatever other tax it sees fit to increase and it needs to stand or fall on the policy merits of that and win the public debate.

A royalty is not a tax in that respect. It is a payment which the Crown, as the owner of these resources, negotiates to receive from the company that mines the coal. It is therefore in the nature of a contractual arrangement and a fee for allowing the taking of an asset, and it is something that should be, and to date has been, almost exclusively governed by principles of contract. This can be seen by the fact that it is not possible for the government to change the royalty rate under the existing legislation, as it itself has admitted and as I have referred to previously.

If we look at section 12 of the Mineral Resources Development Act 1990, we see that subsection 1 of the current provision says:

The holder of a mining licence must pay royalties in accordance with the rate or method of assessment and at the times —

- (a) specified in the licence, after consultation by the Minister with the licensee; or
- (b) prescribed, if not specified in the licence.

So the current legislation contemplates that these royalties will be as specified in the licence as the primary instrument at first instance — and prescribed by regulation only if not specified in the licence. My understanding is that in the case of most, if not all, of the Latrobe Valley generating interests, these licence conditions were those that prevailed at the time the businesses were sold during the 1990s. In other words, companies would bid to buy these electricity businesses and their associated coalmining operations on the basis of licensed arrangements that were specified. The documentation would have been in the contract room when the parties were bidding, and they would have invested their money and made their commitment to the state on the basis of the royalty rates that were specified in the licences at that time.

Those royalty rates have been subject to indexation, so there is not an issue about them being eroded by inflation and the passage of time. They were royalty rates that could and were expected to endure indefinitely. They were, as I say, the basis on which those companies bid to buy those businesses, and now the Bracks government is coming along, tearing up those arrangements and using legislative power to override the contractual rights of the parties concerned.

There are two bills before the house. The first is the Mineral Resources Development (Brown Coal Royalties) Bill, which deals with the industry generally. The second deals with the particular situation of Alcoa. Alcoa's situation is different because it has a private act, the Mines (Aluminium Agreement) Act 1961, which gave legislative recognition to an agreement that was entered into by the state of Victoria and Alcoa in relation to the matters on which the government now wishes to act. There are express provisions in the agreement, entered into by the state, that govern royalties. I refer to clause 10 of schedule 2 to the Mines (Aluminium Agreement) Act, which says:

- 10(1) Subject to the succeeding provisions of this clause the company shall during the term of this agreement pay to the state each year —
 - (a) a rent calculated at the rate of two shillings and sixpence for each acre ...
 - (b) in respect of each ton of coal ... a basic royalty at the rate of —
 - (i) four pence when the total quantity of such coal won in any year does not exceed one hundred thousand tons ...
 - (ii) three pence when such total quantity exceeds one hundred thousand tons ...

Following in the agreement, in other provisions of clause 10 there are arrangements for the indexation of that royalty rate. So we are not faced with the real value of royalties being eroded by inflation; the indexation of those rates has been provided for and is already occurring.

The curious thing is that the government is treating Alcoa in a different way to the rest of the industry, because the Mines (Aluminium Agreement) (Brown Coal Royalties) Bill is due to come into operation on a day to be proclaimed. In the minister's second-reading speech the government has said it does not intend to bring the legislation into operation until it has the agreement of Alcoa. The question is: why are the two being treated differently? I gather that the government thinks there is some difference on the basis that Alcoa's

situation is covered by a private act of Parliament and an agreement appended to a private act of Parliament whereas the rest are regulated by a public act and pay their royalties largely under licence agreements.

The Liberal Party believes that the justification of the very good reasons as to why Alcoa's rights should not be universally or unilaterally abrogated should apply equally to the rest of the industry that pays its royalties under licence agreements. There has been a contract between Alcoa and the state which provides for royalties, and that should not be abrogated. There have been licence agreements between many others and the state that provide for the payment of royalties, and those should not be abrogated either.

However, notwithstanding that the government says it will not implement the legislation relating to Alcoa without Alcoa's agreement, this house is being asked to give the government the power to abrogate the agreement with Alcoa at any time it sees fit. In other words, the bill is not conditional upon Alcoa agreeing to the change. If this bill is passed by the Parliament and is brought into operation, it could be done without Alcoa's agreement. If the government says it is fed up, changes its mind and wants to go ahead anyway — that's tough! There is no legislative protection for Alcoa as far as that bill is concerned.

That is not the way you would expect the matter to be handled. If the government were sincere and upfront in its dealings with Alcoa, it would have approached Alcoa, negotiated an arrangement, reached an amending agreement with Alcoa and then it might have brought legislation to this house to give effect to the amending agreement in exactly the same way as an act was brought to the house to give effect to the principle agreement in the first place back in 1961.

The opposition opposes the Mines (Aluminium Agreement) (Brown Coal Royalties) Bill on the basis that it gives the government complete power to abrogate the agreement with Alcoa. The legislation relating to Alcoa should not come before this house unless and until Alcoa's agreement has been obtained. There is a further objection to these pieces of legislation, and that relates to what will happen in future. I have referred to the fact that the government is giving itself total power to set the royalty rate at whatever level it wishes. It is doing that by the power to prescribe future royalty rates by regulation that it is including in the legislation.

We are not just in the situation where the government is ramming through legislation that will double the royalty

on those companies in abrogation of their licence conditions; the government is giving itself the power to increase the royalties even further at any time in the future. When I say 'even further' I mean that that will be on top of the indexation that is built into the legislation. So it will not be simply a matter of maintaining the real value. In future we could have 5.8 cents indexed by the CPI and then the government could say, 'No, it's going to be 10 cents, 20 cents, 40 cents' — whatever it likes — and it does not have to come back to this Parliament to do so.

If the government is saying, 'We're going to convert this from a royalty into a tax', then the consequence of that is that there should be no taxation without the legislation of this Parliament. That is a principle over which a civil war was fought in England in the 17th century. It was a fundamental aspect of the compact by which the monarchy was restored after the ill-fated commonwealth under Oliver Cromwell. It has been a long-enshrined constitutional principle that taxation should be imposed only with the consent of Parliament.

We saw the government abrogate that principle once in relation to the Monetary Units Act, where the Treasurer gained for himself unfettered power to increase a wide range of fees and charges across the state by any amount that he likes and to in effect turn those into taxes without parliamentary authority. Now the Treasurer and the rest of the government are at it again, giving themselves unfettered power to increase these royalties in future by any amount that they like. That just adds to the sovereign risk and the uncertainty that has been created for the electricity and mining industries in this state.

This is thoroughly bad legislation. It is yet another example of the increasing contempt in which the government is holding this Parliament and its own professed policy of being accountable to the Parliament and supporting parliamentary democracy. This is yet another grab for unbridled revenue-raising power being driven by the Treasurer and it should be vigorously opposed by this house.

Mr JASPER (Murray Valley) — In rising to speak on the legislation before the Parliament, initially I express my concern about the actions that are being taken by the state government in increasing a huge range of government charges. We have seen revenue increases to the state government that are really affecting people in business and industry. Now we have legislation that has gone through the Parliament that provides for automatic increases in charges by the

increase in the consumer price index (CPI) on 1 July each year.

As I said in the Parliament when speaking on a bill recently, eventually that will change. Eventually whichever government is in power in Victoria will change that situation of automatic increases by the CPI each year. That is providing a huge increase in revenue to the government. Members need only look at the figures over the past five years to see that the budget for the state of Victoria in 1999 was under \$20 billion and for this current financial year it exceeds \$30 billion, so there has been a 50 per cent increase in revenue and expenditure by the state government over the past five years. That is indicative of what is happening in this state.

When I speak to business and industry leaders and small business operators in my electorate of Murray Valley they express extreme concern about the actions being taken by the state government in raising charges right across the board. The government is increasing charges to business, industry and other people operating in the state of Victoria in all sorts of ways. People are extremely concerned about the increasing charges and the increasing regulation. We are overregulated in the state of Victoria — and, indeed, right across Australia. As I have said in Parliament previously, state and federal governments will need to review regulation and regulation-making powers.

I take on board the comments made by the previous speaker who mentioned the changes that will be brought into effect by the state government with the increase in charges, and I take it further by saying that we are not having brought back to the Parliament changes which are now being implemented by regulation. More and more we are seeing bills being passed by the Parliament and becoming acts of Parliament that include extensive regulation-making powers. Changes being made to the regulations to increase charges on the people living in the state of Victoria are not being brought back to the Parliament for appropriate debate. That is an indictment on the government. If changes are to be made that will affect the operations of business and industry and people living in the state of Victoria they should come back to the Parliament. The Parliament should be the ultimate place, where issues that affect people across the state are debated. We should be moving back to that process and ensuring that we have appropriate debate in this Parliament.

Those comments are relevant also to the legislation members are debating now. There will be an automatic

increase in the royalties for coal — there will be a doubling of the royalties.

Mr Jenkins — Hear, hear!

Mr JASPER — The member for Morwell says, ‘Hear, hear!’ about the increase in the royalties. I will refer to that as I go. That increase in coal charges will have an adverse impact on the industries operating in the Latrobe Valley and, indeed, on Alcoa. The legislation before the Parliament sets a new base rate for the royalties. The royalties paid by brown coal miners will effectively double to approximately \$34 million, which will be an increase of about 100 per cent on what was paid in the past, which was between \$16 million and \$17 million. More importantly, the legislation includes a provision for the royalties to continue to be increased on an annual basis by the increase in the CPI. So they will fall into line with what the government is doing with all charges right across the board. That issue will be addressed in future years and, as I said earlier, will be changed.

In future the rates will be charged by regulation, which I also mentioned a moment ago. When changes are to be made, the proposal needs to be brought back to the Parliament to debate the issues and decide in an appropriate debate whether an increase should be made to the charges. I note also that the increase in the royalties will take place over a four-year period. Transitional arrangements will be in place from 1 January 2006 to 30 June 2009 for the changes to be put in place.

As usual, The Nationals have undertaken extensive investigation into the two pieces of legislation which are being debated concurrently. The Honourable Peter Hall in another place met with representatives of a number of organisations. He had a briefing with government representatives and also had discussions with Alcoa, Loy Yang Power, International Power Hazelwood and TXU Energy to get feedback from them on the proposed increase in the charges. Concern has certainly been expressed by those organisations about the increase in charges.

It is worth putting on the record some of the comments that have been made. I have here a media release dated 3 May 2005 from the Minerals Council of Australia which states:

MCA Victorian division executive director, Mr Chris Fraser, said it was a case of ‘smart initiatives, poor funding policy’.

The media release is headed 'Coal royalty hike: one step forward and two steps back'. I quote two or three paragraphs of the media release:

... imposing this blunt financial impost on coal producers to singularly bear the cost of pre-competitive research is sadly the easy option for the government.

The current producers have limited capacity to pass on the royalty increase to electricity consumers in what is a fully contested electricity market —

of which we are all aware. The media release goes on:

In addition to the adverse impact on current producers, the increased royalty will only serve to make it more difficult for new technologies to become economically viable, an outcome that in itself is counterproductive.

They were comments from the Minerals Council of Australia, which has expressed great concerns about the huge increase in royalties which is being imposed on users of coal within the state of Victoria. Alcoa is of course involved in one piece of legislation being debated. It is worthwhile noting the comments in the second-reading speech where the minister says:

The three major mines located in the Latrobe Valley have royalties specified as a condition of licence. Currently there is no provision, which enables royalties specified as a condition of licence to be varied without first obtaining the consent of the company.

Of course now this legislation removes the requirement for the company's consent. The minister goes on in the second-reading speech to say:

Over the past months, the government has attempted to gain the agreement of the companies to an increase in coal royalties to better reflect the underlying value of the resource. The government would prefer to increase coal royalties via agreement in preference to making legislative changes. Unfortunately this has not been possible ...

The government has abrogated its responsibility in talking to the three major mine operators in the Latrobe Valley and has said, 'We will impose this by legislation anyway'. He then goes on to say:

... a number of companies prefer this legislative option on the basis that this assists them to pass on some of the costs of royalty increases.

That is a disgraceful situation and a disgraceful comment from the government on the legislation that is being debated here today.

I also note that in the latter part of the second-reading speech the minister quite openly indicated that in future the changes in royalty charges will occur via a regulation-making process and will be assessed in

accordance with the requirements of the Subordinate Legislation Act 1994. As I indicated earlier, as far as I am concerned that is bypassing Parliament and bypassing the government's responsibility to bring those sorts of issues back to Parliament for full debate. I understand clearly that we have regulation-making powers that provide for regulations to be made under the acts of Parliament, but many issues need to be brought back to Parliament for appropriate debate. More and more we see legislation going through the Parliament where the regulation-making powers are bypassing the responsibility that we have as members of Parliament to debate the legislation within the Parliament itself.

The Mineral Resources Development (Brown Coal Royalties) Bill, when enacted, will come into operation on 1 January 2006. However, in its explanation the other bill being conjointly debated in the house, the Mines (Aluminium Agreement) (Brown Coal Royalties) Bill, states that the bill — when it becomes an act — will come into operation on a day to be proclaimed. The reason for that is that the government is still negotiating with Alcoa about the charges for the coal which is being used by that company.

It needs to be put on the record that Alcoa is the largest exporter, in value, from the state of Victoria. It produces one-third of Australia's aluminium requirements and employs 2500 people within this state. According to my information, negotiations have not commenced with Alcoa about the increase in coal charges. This will have an impact on the Anglesea power station, which provides 40 per cent of the electricity requirements to Point Henry under a longstanding agreement which was undertaken with the state government in 1980. The power is provided through the VicPower Trading organisation.

So far as Alcoa is concerned, there are certainly concerns about the increase in royalties for the coal which is used. It is apparently negotiating for a potential expansion at Portland, and it needs to negotiate that in good faith. The power generation, the power supply and the cost of that electricity will be an important part of those negotiations. I am sure the member for South-West Coast will comment on the Alcoa aluminium operation at Portland.

The other interesting point which needs to be put on the record is that Alcoa has a 30-year contract for the supply of electricity — for Point Henry to 2014 and for Portland to 2016 — so I think the government is putting the cart before the horse with this legislation. It is assuming that it will be able to successfully negotiate a

reasonable agreement with Alcoa after securing an increase in royalties for the coal provided to Alcoa. However, I believe there needs to be negotiation before this legislation goes through Parliament.

I join Alcoa in the concerns it has expressed on this legislation and its impact not only on Alcoa but on the state of Victoria because of the massive industries operating at Point Henry and Portland. The Nationals have expressed concerns about this legislation. I refer to a letter that has been forwarded to the Honourable Peter Hall, a member for Gippsland Province in another place, from Paula Benson, manager of corporate and community affairs at Alcoa. In her letter of response she refers to the second-reading speech where the minister said:

It is important to note that as Alcoa has a legislated agreement with the state, the government is not proposing to pass this bill without first gaining Alcoa's agreement to these amendments. Therefore, a commencement date for this bill has not been set. Once Alcoa's agreement has been gained, steps will be immediately taken to proclaim this legislation.

The letter to Mr Hall goes on to say:

As you would be aware, Alcoa has had a close working relationship with successive governments in Victoria, and as with all issues of this kind, we will work with the state government towards an agreement on this matter which meets the ... interests of Alcoa and the state of Victoria.

The legislation is being passed through Parliament on the basis that an agreement will be made with Alcoa, and I think heavy pressure will be put on Alcoa to agree to the rises proposed by the government. Because of these concerns The Nationals are opposing the legislation before the Parliament. We do so on the basis that there will be huge increases in royalties, which is typical of what the government is doing with all the charges and imposts that are being imposed on business and industry, which are the wealth generators within the state of Victoria.

As I have said on many occasions in this Parliament, while the government may have increased employment within this state, for a start it cannot employ everyone; and secondly, the wealth of this state is produced by people in private enterprise. If we cannot encourage people in private enterprise to be effective and to increase their production and keep developing industries within this state, we cannot provide the increasing employment required for the continued development of the state.

I express those concerns because I believe the government thinks it can impose all sorts of increases in charges and regulations on business and industry within

the state and get away with it. We have reached the stage where people involved in business within Victoria have had enough. They are sick to death of the increased charges that are being imposed by the government and the massive increase in revenue that is being provided to the government, which it is spending on a range of issues. I am not opposed to some of the areas in which the money is being spent, but the fact is that it is an imposition on business and industry within this state, as evidenced by the effect of the legislation before the house.

The Nationals will be opposing the legislation because of the impost it will put on the users of coal within Victoria, the increase in royalties and the adverse effect that will have on those industries, but importantly because of the increase in charges which will be imposed right across the state on all users of electricity and on the production of aluminium by Alcoa. I believe that will have an adverse effect on the state into the future. We have to try to provide the best means for people in business and industry to develop satisfactorily and to be profitable so they can employ further people.

The bills coming before the Parliament that provide for automatic increases in charges and royalties will result in the important producers of the state's wealth not continuing to operate within this state. They will look to other means of production, and perhaps we will see a reduction in the number of people employed within this state as industries move to other areas of Australia — and indeed outside Australia, where they can get appropriate work forces to produce the goods and services that they are providing to this state.

Mr HOWARD (Ballarat East) — I am also pleased to speak on this brown coal royalties legislation, and at the outset I should set the context for its introduction. Minerals are owned by the state, which is recognised by the payment of royalties, so the people of Victoria should gain an appropriate return when minerals are mined and utilised in this state.

When we look at the value of coal in this state and the royalties that have been charged we see that they have not been reviewed for quite some time. In terms of the Latrobe Valley the level of royalties has not been reviewed for something like 10 years, and in regard to Alcoa they have not been reviewed for 40 years, so it is time to review — —

Dr Napthine — No, they have been indexed.

Mr HOWARD — I hear the interjection from the other side of the house that they are indexed, and that is correct. They have been indexed, but — —

The ACTING SPEAKER (Mr Ingram) — Order! The member for South-West Coast should not interject, and the member for Ballarat East should not respond to interjections.

Mr HOWARD — When we look at the value of the royalties from brown coal and compare them in a fair way with those in other states, we see that the royalties applied to brown coal in Victoria are indeed very low. For example, when we look at the figures for New South Wales and Queensland we see that the royalty charges associated with coal in New South Wales are 12.9 cents per gigajoule.

Dr Napthine — Hang on! That is different coal; it is black coal.

Mr HOWARD — Again we are getting interjections. The member for South-West Coast will get his opportunity to speak, and I hope he will have his facts right when he does so. However, the facts are — and I will clarify them in my own good time — that New South Wales charges 12.9 cents per gigajoule for coal mined in that state and Queensland charges 11.3 cents, which is nearly four times the present level of royalties charged in Victoria. Yes, I recognise that there are different qualities of coal, as does the state; therefore we are not proposing to increase our royalties to anything like 12.9 cents per gigajoule or 11.3 cents per gigajoule. We believe that a fair figure is 5.5 cents per gigajoule, and that is the royalty we are placing on the coal under this legislation. It is a fair price that takes into account the value and quality of brown coal mined in this state, and it provides a fair and reasonable opportunity for the miners of brown coal in this state.

We also heard from the member for Murray Valley that this is a significant impost on these producers, but the overall cost of royalties within the total price of electricity amounts to about 1 per cent of the wholesale price and about 0.04 per cent of the retail price. It is a very minor cost factor in the price of electricity and a relatively minor cost factor to these producers.

However, the Bracks government has done a number of things to support industry in this state by reducing taxes. Although the member for Murray Valley wanted to twist the figures, WorkCover premiums, for example, have been significantly reduced in the mining industry and in other industries, and a whole range of other taxes have been reduced. At about the same time we said we wanted to look again at the royalties associated with brown coal, we announced a \$108 million electricity technology innovation strategy. It provides funding that these electricity producers can

take up to investigate means of developing innovative technologies that will help them into the future. The government is providing significant opportunities for electricity producers and brown coal miners in this state through other actions.

When you hear that royalties have not been reviewed properly for 10 years you realise that it is quite reasonable that we should have a review. Although historically the royalties have been linked to licensing, we now believe it is appropriate to link them to the legislation rather than the licensing so that appropriate reviews can take place in the future and so we can build in a process of acknowledging consumer price index increases and so on.

Of course Alcoa has been raised in the two pieces of legislation because we want to see that Alcoa is given the message that we want to bring it into the fold of paying similar royalties to those paid by others across the state. Alcoa has had a special agreement that has lasted for over 40 years whereby it pays quite low royalty levels, and the state wants to negotiate with Alcoa over the coming months to bring its royalty levels up so they are consistent with the others. We did not enforce it within this legislation because we felt it would be preferable to negotiate with Alcoa. While there is a principle involved, the people of Victoria do not miss out in the sense that Alcoa's percentage of the royalties is only about 2 per cent of the overall royalties gained.

When you look at the effects of this legislation you can see that, yes, it doubles the royalties paid by coal miners in this state. As I have said, it only accounts for about 1 per cent of the wholesale charge for electricity, so it should not have a significant impact upon the electricity price that people pay. But it provides a \$16 million to \$17 million return annually for Victorian taxpayers, which of course is going to be a significant benefit. This is not about a grab for money; it is appropriate legislation that recognises the real value of coal in this state, compares it to other states and says that on a national basis we think it is fair to increase those royalties.

Government members want to ensure that we have a sound electricity production industry in this state, and this government continues to work on finding positive ways forward for the industry. However, in terms of royalty levels we recognise the realities of the market and have factored that in to this legislation. This is quite fair, sound and sensible legislation, and it should not harm the electricity industry in this state. It will

certainly provide benefits to the Victorian community. I support this legislation.

Dr NAPHTHINE (South-West Coast) — These bills are simply another tax grab by a greedy, avaricious, wasteful and incompetent city-centric government. Not content with record levels of taxation from current sources, the Bracks Labor government is investing an enormous amount of time and taxpayers money in employing bureaucrats to continually invent new taxes and charges so government members can put their hands deeper and deeper into the pockets of ordinary Victorians and Victorian businesses.

Since 1998–99 taxes in Victoria have gone up by 53 per cent, so it is no wonder that the heading of the editorial in the *Herald Sun* of 26 April describes the Bracks Labor government as ‘A greedy government’, because it is. It is the highest taxing government in Victoria’s history, and it is continuing to find new ways to tax Victorians.

Let us just look at some of the new taxes and charges that have been introduced in recent times. It has introduced the \$80 motor vehicle registration charge for pensioners, war veterans and health care card holders; the new 5 per cent tax on water — a tax on taps and toilets, a tax on families; the annual increases to all fees, taxes and charges; the motorcycle tax; the cap on multipurpose taxi use, which hurts the frail and the disabled in our community; the massive increase in forestry royalties; the removal of payroll tax exemption for apprentices and trainees; the massive increases in taxes on gaming machines; and of course the Scoresby tolls, which the people of the eastern suburbs will have to pay under the Bracks Labor government’s broken promise.

The bills we are debating go a step further in the Bracks Labor government’s introduction of more tax on ordinary Victorians. These bills involve tearing up contracts, overturning legislated agreements and fundamentally undermining the whole issue of sovereign risk. The government has talked long and hard about these issues, yet with this legislation it tramples over the very tenets of how government does business with the private sector in Victoria.

This legislation will more than double state royalties or taxes on brown coal. The previous speaker, the member for Ballarat East, represented the government’s view and proclaimed that the reason we have to have this massive 100 per cent increase in royalties is because they had not been adjusted for many years. However, under severe interjection, he admitted that these

royalties have been indexed, so they have been maintained in real terms for the entire life of the contracts and registered agreements. The government is massively increasing the fundamental taxation on brown coal.

The government is putting its hands deeper and deeper into the pockets of ordinary Victorians. Let us see how this will impact on ordinary Victorians — and it will impact on them. In the case of the Mineral Resources Development (Brown Coal Royalties) Bill the second-reading speech has a degree of accuracy, which is most unusual, because most second-reading speeches are full of spin and lack detail. It makes it clear the bill aims:

... to enable an increase in brown coal royalties to occur.

Then it says very clearly that the outcome will be a massive increase in brown coal royalty revenue. It describes additional coal royalties as being:

... in the order of \$16 million to \$17 million per annum ...

It also says:

... a number of companies prefer this legislative option on the basis that this assists them to pass on some of the costs of royalty increases.

I make it clear: brown coal is used by electricity generators to generate electricity. They sell the electricity to distributors, who sell it to ordinary Victorians. So when these increases are passed on — as the second-reading speech says they will be — this will increase electricity prices for ordinary Victorians. That is the bottom line.

Today’s *Herald Sun* reports that there will be a temporary reduction in electricity prices, which is a great credit to the former government’s privatisation process, which has delivered a more efficient electricity industry. Anybody who looks at the privatisation process can see that today we have improved productivity and improved efficiency in electricity production. The reports of the independent Essential Services Commission show that the number of breakdowns in the service system have been significantly reduced.

Therefore Victoria has a massively improved service system and a reduction in real prices because of the privatisation undertaken by the previous government. However, the Bracks Labor government is massively increasing brown coal royalties and the second-reading speech on the Mineral Resources Development (Brown

Coal Royalties) Bill makes it very clear that this will mean higher electricity prices for ordinary Victorians.

This legislation is about tearing up contracts, which is another reason we oppose it. We oppose it because it is a tax grab and we oppose it because it involves tearing up contracts. The second-reading speech for the Mineral Resources Development (Brown Coal Royalties) Bill says:

Currently there is no provision, which enables royalties specified as a condition of licence to be varied without first obtaining the consent of the company.

There is a contract with the electricity-generating companies that specifies the royalties paid. The second-reading speech says further:

... the government has attempted to gain the agreement of the companies to ... increase ... the royalties.

...

The government would prefer to increase coal royalties via agreement in preference to making legislative changes. Unfortunately this has not been possible ...

The companies have said no to changing the contract, but the government has said, 'Let's tear up the contract between the state of Victoria and those companies and let's override the contract and bring in this legislation to double the coal royalties'. That is a disgrace; it is an appalling abuse of government power.

The situation with Alcoa is different in that Alcoa does not have a contract; it has a legislated agreement with the government about the price of royalties to be paid. Alcoa, as the member for Murray Valley said, is a major company. It is the biggest single export earner for Victoria and Australia. It is a very big employer in my electorate, through Portland Aluminium. It is a major employer in Geelong, through Point Henry and the Anglesea power station. These royalties only apply to the Anglesea power station. It is not as though competition will be affected if they have a differential royalty, because the only brown coal they use is the brown coal at the Anglesea power station, which is used for their own purposes. This is not a competition issue, it is purely a greedy tax grab by the Bracks Labor government.

I also have a letter from Paula Benson, manager of corporate and community affairs at Alcoa, in which she refers specifically to the second-reading speech. Ms Benson says:

It is important to note that as Alcoa has a legislated agreement with the state, the government is not proposing to pass this bill without first gaining Alcoa's agreement to these

amendments. Therefore, a commencement date for this bill has not been set.

She goes on to say that once the agreement has been signed they will take immediate steps to proclaim the legislation. The house is being asked to pass legislation which even the government cannot pass without the agreement of Alcoa.

The problem for Alcoa is that it is also negotiating with the government on very big issues concerning its long-term electricity contracts at both Point Henry and Portland Aluminium, which will expire in 2014 and 2016. It is also negotiating with the government for the proposed third pipeline at Portland. Alcoa is in a very difficult position on this coal royalties issue because the government wants to tear up a legislated agreement. This means that fundamentally Alcoa is a little over a barrel in its negotiating position because it has some other bigger issues to play with.

Finally, I come to the other issue that is important in this legislation, and I again refer to the second-reading speech which says that not only will these new penalties be introduced, but any future variations that may be introduced after 2010 will occur via a regulation-making power. So the government is not only tearing up legislated agreements and it is not only tearing up contracts but it is now avoiding the scrutiny of Parliament so that after 2010 any future adjustments in the royalties will be done by regulation and without parliamentary scrutiny.

These bills are bad law. They are bad for the economy, bad for taxpayers in Victoria, bad for electricity users and bad for our major export earner, Alcoa Australia. This is bad legislation and it should be opposed.

Mr DONNELLAN (Narre Warren North) — It is an honour today to contribute to debate on the Mineral Resources Development (Brown Coal Royalties) Bill and the Mines (Aluminium Agreement) (Brown Coal Royalties) Bill.

Royalties are paid to Victoria in recognition that we as a state should share in the benefits that go to private companies when they extract our resources. Current royalty arrangements in Victoria do not value those resources properly. Victorian royalties, as we have heard today, are incredibly low relative to Queensland and New South Wales. Royalties in those states represent roughly 11 cents per gigajoule of energy, or higher, compared to royalties in Victoria of about 3 cents per gigajoule. Our royalties represent about or under 1 per cent of the wholesale cost of electricity as

sold to Victoria and New South Wales; it is a very small amount.

The market for energy is incredibly dynamic with the increasingly integrated and competitive national wholesale energy market. Queensland and New South Wales are not fully competitive at the moment, and it is a pity that the federal government does not apply some penalties under national competition payment guidelines to those states because of that. Current arrangements require the government to ask the coal miners whether it can increase the royalties, which is a pretty funny way of doing things. I would have thought it would have been done in a negotiated way.

More than anything else, these bills fix up the messes of the Liberal Party, which would sell our resources for nothing. They are the bargain basement specialists of politics. At the end of the day we have the Alcoa agreement, written in 1961, which still talks about shillings and such things. Nothing has been done since 1961 to deal with this issue. Realistically, it is a joke. The Liberal Party believes for some god-forbidden reason that Victorians should throw their resources away for nothing. We are talking about 0.85 per cent of the total cost of producing energy on the wholesale market. That is what these royalties represent. It is very little; it is an incredibly small amount.

The bills will standardise the arrangements. Our brown coal is still very cheap by comparison with all the other states — at 5.5 cents per gigajoule of energy produced. That is an improvement; but realistically all I hear today is the Liberal Party wanting to give it away for free. That is a joke.

At the end of the day these are good bills. They standardise the whole process and lead Victoria forward.

Mr WILSON (Narre Warren South) — I shall make a short contribution to debate on the Mineral Resources Development (Brown Coal Royalties) Bill. The purpose of the bill is to amend Victorian legislation to allow for an increase of royalties received by this state for the extraction of its brown coal. The increase in royalties will better reflect the value of the resources being extracted, while ensuring that the royalty level is well below that in other states.

Brown coal, as some members will know, was discovered in the Latrobe Valley in 1873. As Victoria's population continued to grow, the State Electricity Commission (SEC) was formed and horse-drawn ploughs commenced the foundation work on the Yallourn A power station. As a former resident of

Gippsland I have passed the extensive brown coal pits many hundreds of times. The coal in these pits is a major economic resource for Victoria, and the coal seams are up to 300 metres thick. The coal is used for the generation of much of the state's electricity requirements.

I look forward to the technological advances in the use of brown coal. Given its high water content the production methods of the current electricity generators present future governments with opportunities to reduce the rate of carbon dioxide production. Reserves of brown coal are estimated to be very large, at around 394 000 million tonnes.

In closing, this legislation updates the royalties to better reflect the value of brown coal being extracted and will see an additional \$16 million to \$17 million per annum returned to the people of this state. Security of energy supply is vital to this state, and with the energy consumption of the households in and the industries serving my electorate being dependent for the foreseeable future on brown coal generators, I commend the bills to the house.

Mr MAXFIELD (Narracan) — I rise to speak on the Mineral Resources Development (Brown Coal Royalties) Bill and the Mines (Aluminium Agreement) (Brown Coal Royalties) Bill. I have listened to some of the contributions on these bills. I noted the comments of the member for South-West Coast, who was involved in the disastrous flogging-off of our electricity, our gas, our railways and all the other government services, as a result of which we have seen contract after contract in strife. We have had to intervene through the Essential Services Act in terms of charges, and we are seeing the Essential Services Commission, which was put in place by our act, sorting out the mess that the member for South-West Coast and his mates dumped on us.

I notice that the member is quite vocal in this chamber when it comes to making these sorts of comments. We agreed in this chamber that the member would come down to the Latrobe Valley to try to convince us of the benefits of privatisation. We have been trying to get a date from his office for this debate, but he has suddenly discovered that he does not want to come down and debate them.

Dr Napthine — I am happy to debate the member any time.

Mr MAXFIELD — The member says he is happy to debate, but he will not give me a date or say when he is going to come. We would love to have the member meet us — and the member for Morwell will happily be

involved. We would love to have a great debate about the so-called benefits of privatising our electricity and our gas. We have seen country people having to pay big chunks more for their power because of the disastrous way these services were flogged off.

These two bills relate to the royalties charged for our natural resources. The government can use the income and those resources to help drive a better environment and better outcomes for energy use in this state. For example, one can see the money that the Bracks government is putting into clean coal technologies, driving industries which will create and boost jobs in the Latrobe Valley. Not only that, but in terms of environmental outcomes the clean coal technologies that we are supporting and backing are going to deliver future growth to all Victoria, not just the Latrobe Valley. It is the hallmark of the Bracks government: strong economic growth, taking into account the needs of the community. Given the short time available, I commend the bills to the house.

Mr JENKINS (Morwell) — It gives me a great deal of pleasure to rise in support of these bills, which purely and simply ensure that the people who actually own the coal resources in the Latrobe Valley and elsewhere in the state of Victoria actually get a fair part of the benefit of using it — and that means not just the state government but the people of Victoria. They are the ones who have to get some return.

I thought that after two and a half years in this place I would not have to get up and talk yet again about fixing up the mess created by the previous government. When it had a fire sale of the electricity industry the previous government undervalued the resource. This is spelt out clearly when one compares the resources —

Dr Napthine — Fire sale? What fire sale?

Mr JENKINS — The previous government undervalued the coal resources to such an extent that even though we are raising the royalties significantly — and let us be absolutely clear, we are raising significantly the royalties that are going to be charged by the state on behalf of the people of Victoria — the electricity producers will still be paying less per unit of energy — half as much per unit of energy — than any of their competitors.

The people in the private market wanted competition and wanted a national market. Why do these people want to continue to pay less than 25 per cent of the charge per unit of energy that their competitors pay elsewhere? It has been wonderful to listen to those

members of the opposition who have received letters from power companies that would rather have the ordinary people of Victoria pay all the taxes, with none to be paid by the private marketers who got the benefit of the fire sale that the previous government put in place. Now they have to pay a fairer price. It is not a fair price in the sense that they are still paying half as much as their competitors.

It was great to hear one member talk earlier about comparing brown coal and black coal. We are not talking about a charge per tonne — we would not be so stupid as to talk about a charge per tonne. We are talking about a charge per unit of energy. When you compare royalty levels you see that on any basis the private companies that get the right to use the coal that this community owns are going to get the energy for half as much as is set elsewhere.

The problem is that the Liberals and The Nationals in opposition are in a policy vacuum, particularly when it comes to energy. The previous government thought that once it had sold the industry off it would have nothing to do with it again. The previous government wiped its hands of the matter. We just cannot do it. As a government what we have done is make sure we have reviewed some of the mistakes that had been made. We have looked at issues of equity and fairness, and we have looked at how the private sector was being treated and made sure that it will still be treated better than anywhere else in the country. It will still be able to use our brown coal resource, but the people of Victoria will get some recompense for that. I have no doubt that the private companies would rather not pay. They are going to pay, and this state and this community are going to be better off than they were.

Those companies have benefited from tax relief and other changes that this government has brought in during its first term and this term. They continue to derive benefits from the strong economic performance of this government, including the way in which it has ensured that people and businesses in Victoria operate in a better environment than they did under the previous government. Private companies get those benefits, but at the same time they are going to have to pay a fair level of royalties back to the community of Victoria, and that money will be more equitably spent. It will be spent across all of Victoria, not as it was under the previous government, which referred to places like Latrobe Valley as ‘the toe nails’. Some of the broader income that is going to be raised will be spent in regional Victoria.

This government is not going to just ensure that coal is used wisely, better and more effectively, but, as announced in the budget, it has invested \$106 million into the Energy Technology Innovation Strategy. That will ensure not only the continued effective use of brown coal but new investment in brown coal technology. We will use it better and it will be — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Smith) — Order! The member for Morwell has the call.

Mr JENKINS — The royalties within this bill reflect the real value of the government's investment in the private sector. There have been a lot of expressions of interest already in the Energy Technology Innovation Strategy; it is certainly oversubscribed. This is real investment and means real employment, real jobs in the Latrobe Valley, which is a far cry from the disinvestment under the previous government with not one new power generator in the Latrobe Valley. Under this government over 1000 megawatts is available from a whole range of power, including from the Latrobe Valley. We have a record of investment that ensures that this state will continue to derive the benefit of the huge resource of lignite in the valley and elsewhere. Those private companies currently benefiting from the relationship will continue to do so, and those companies that are going to sign agreements with the federal and state governments through the energy technology innovation strategy will continue to make that investment so that we get the most out of our brown coal resource. I commend the bill to the house.

Mr SEITZ (Keilor) — I support the bill but would like to make some comments before I speak about it. I consider any resources in this state to be my inheritance as a Victorian and as an Australian, whether it be the fish in the sea, iron ore, our forests, coal, oil or aluminium. Our resources are our inheritance as Victorians and Australians. It is not one single person's or one single company's right to exploit it and profit from it, but it is to be shared with all of us. This bill is trying to achieve more equitable funding and royalties than we had had in the past.

Since Alcoa's 40-year agreement was struck times have changed, economics have changed as have technology and profitability; everything has changed. Those original deals were made by the Bolte government to attract industry here. Industry was given very cheap access to coal at Anglesea, and I well remember at the time people were not happy, environmentalists in particular, when they opened the mine down there and

put the powerlines through to Point Henry. Just think about the value that we have on our seafronts, in real estate and other areas, which was handed over to Alcoa at the time. Our assets and inheritance as Victorians were given away. It is time to look at all those situations, and this is a case which needs to be reassessed.

We are still charging the least amount for coal that is being extracted, although it is brown coal and not used for export. The federal government is looking into the profitability of the coal industry in New South Wales and at what share of the GST that state is going to get. It wants more money and profit from the coal industry. It wants more funding from the Commonwealth Grants Commission to put into the health system. All states are looking very closely at it.

It is an important issue that we are dealing with here. It is important for Victoria to keep up with the other states and the federal government's expectation that we raise our own revenue, that we are not squandering our inheritance, and that we are building for the future of Victoria and Victorians an asset which will be able to increase automatically with indexation on the levy on the coal that is extracted. With modern technology that should be able to be compensated without having to pass on that cost to the end consumer.

That industry was sold off — it was virtually given away — by the previous government at a disadvantage to all Victorians. The only saving grace was it was not done the way Margaret Thatcher did it. She first improved all the profitability before selling it off to her friends. At least here in Victoria that did not take place. We did not put a heap of taxpayers money into upgrading the plants and then sell them off at a loss to the taxpayers. That only happened because the previous government was in a hurry to sell everything off in a fire sale and did not take time to upgrade the power stations in the Latrobe Valley.

The people in the Latrobe Valley who are putting up with the pollution from the open-cut mines and the degradation of the land and the general area also need to be compensated. With this deal the council and the people will be compensated, which is an important factor in this decision. The government has considered compensation for the community in the Latrobe Valley in the changes it is proposing. The crocodile tears of the opposition are a lot of nonsense, because we are looking after the whole community and the whole industry with this legislation, which is to the benefit of all Victorians. I therefore wish the bill a speedy passage.

Mr PLOWMAN (Benambra) — I will be very brief, in the knowledge that this bill needs to go through very quickly. The one thing that I want to make quite clear is that the chairman of the Business Council of Australia indicated that there is more than a real possibility that Victoria will have a 50 per cent deficit of power by the year 2030 unless we further develop the — —

Mr Hulls — I reckon you will still be here then.

Mr PLOWMAN — I reckon I will still be here, too, and I am very pleased to hear that suggestion is endorsed by the minister.

The ACTING SPEAKER (Mr Smith) — Order! Perhaps in the meantime the member can return to the bill!

Mr PLOWMAN — The chairman of the Business Council of Australia would not have said lightly that we are likely to have a 50 per cent deficit in power generation by 2030. What that means is that if Victoria is to retain its economic advantage and its competitiveness from an industrial point of view, we must continue to develop the brown coal industry for power generation purposes, irrespective of how well we manage to sequester carbon dioxide from the generation of that power — and this must be the future for the development of power. Going on that advice, the sad thing about this legislation is that this is a disincentive to the future development of and future investment in the brown coal industry for power generation. It runs the risk of putting off developers who otherwise may be directly involved in the future of the industry, and in that respect I think the cost to the future of Victoria's prosperity could be extremely high.

Mr CAMERON (Minister for Agriculture) — I thank those members who have made contributions on the Mineral Resources Development (Brown Coal Royalties) Bill and the Mines (Aluminium Agreement) (Brown Coal Royalties) Bill, which have been debated together. In particular I thank the members for Box Hill, Murray Valley, Ballarat East, South-West Coast, Narre Warren North, Narre Warren South, Narracan, Morwell, Keilor and Benambra for their contributions. I appreciate that they have expressed a range of views, some of them disagreeing views.

I make the observation that Victoria's coal royalty rates are the nation's lowest. Some members talked about what it might mean in terms of competitiveness and where people might want to invest in the future. But our royalty rates are about half as much as they are in New South Wales and Queensland. Even the federal

government's own Commonwealth Grants Commission recognises that Victorian royalty rates are well below those of any other state.

I heard honourable members opposite talk about the pressure on costs and what it might do to prices and the like, but the fact of the matter is that yesterday the Essential Services Commission put out the new electricity prices, and they are going down. The ESC absolutely slapped the opposition down on that on the day before the debate! You would have thought opposition members would have pulled back and re-thought the matter, but they obviously have not even bothered to read the newspaper this morning to find that out.

Again I thank members for their contributions. The thing about a vibrant democracy is that people are entitled to have their different views. But the fact is that royalty rates in Victoria are the nation's lowest.

The ACTING SPEAKER (Mr Smith) — Order! The question is that the bills be now read a second time. All of that opinion say 'aye', to the contrary 'no'. I think the ayes have it. A division is called for. I ask the Clerk to ring the bells.

Bells rung.

Mr Plowman (*Speaking covered*) — My point of order, Deputy Speaker, relates to the decision to debate these two bills conjointly. It was not inherent in that decision that the bills would be jointly voted on. I would like your advice on how the house could divide separately on the bills should they wish to do so.

The DEPUTY SPEAKER — Order! On the point of order, the member is correct. The decision of the house was to debate the bills concurrently. If it is the wish of the house, the bills can be put to the vote separately. Given that the matter has been raised and members have said that they may wish to vote differently on the bills, I will put the questions separately.

MINERAL RESOURCES DEVELOPMENT (BROWN COAL ROYALTIES) BILL

Second reading

House divided on motion:

Ayes, 56

Andrews, Mr
Barker, Ms
Batchelor, Mr

Langdon, Mr
Languiller, Mr
Leighton, Mr

Beard, Ms
Beattie, Ms
Brumby, Mr
Buchanan, Ms
Cameron, Mr
Campbell, Ms
Carli, Mr
Crutchfield, Mr
D'Ambrosio, Ms
Delahunty, Ms
Donnellan, Mr
Duncan, Ms
Eckstein, Ms
Garbutt, Ms
Gillett, Ms
Hardman, Mr
Harkness, Dr
Helper, Mr
Holding, Mr
Howard, Mr
Hudson, Mr
Hulls, Mr
Ingram, Mr
Jenkins, Mr
Kosky, Ms

Lim, Mr
Lindell, Ms
Lobato, Ms
Lockwood, Mr
Lupton, Mr
McTaggart, Ms
Marshall, Ms
Maxfield, Mr
Merlino, Mr
Mildenhall, Mr
Morand, Ms
Munt, Ms
Nardella, Mr
Neville, Ms
Overington, Ms
Pandazopoulos, Mr
Perera, Mr
Pike, Ms
Robinson, Mr
Savage, Mr
Seitz, Mr
Stensholt, Mr
Trezise, Mr
Wilson, Mr
Wynne, Mr

Noes, 24

Asher, Ms
Baillieu, Mr
Clark, Mr
Cooper, Mr
Delahunty, Mr
Dixon, Mr
Doyle, Mr
Honeywood, Mr
Jasper, Mr
Kotsiras, Mr
McIntosh, Mr
Maughan, Mr

Mulder, Mr
Naphine, Dr
Perton, Mr
Plowman, Mr
Powell, Mrs
Ryan, Mr
Shardey, Mrs
Smith, Mr
Sykes, Dr
Thompson, Mr
Walsh, Mr
Wells, Mr

Motion agreed to.**Read second time.****MINES (ALUMINIUM AGREEMENT)
(BROWN COAL ROYALTIES) BILL***Second reading***House divided on motion:***Ayes, 56*

Andrews, Mr
Barker, Ms
Batchelor, Mr
Beard, Ms
Beattie, Ms
Brumby, Mr
Buchanan, Ms
Cameron, Mr
Campbell, Ms
Carli, Mr
Crutchfield, Mr
D'Ambrosio, Ms

Kosky, Ms
Langdon, Mr
Languiller, Mr
Leighton, Mr
Lim, Mr
Lindell, Ms
Lobato, Ms
Lockwood, Mr
Lupton, Mr
McTaggart, Ms
Marshall, Ms
Maxfield, Mr

Delahunty, Ms
Donnellan, Mr
Duncan, Ms
Eckstein, Ms
Garbutt, Ms
Gillett, Ms
Green, Ms
Hardman, Mr
Harkness, Dr
Helper, Mr
Holding, Mr
Howard, Mr
Hudson, Mr
Hulls, Mr
Ingram, Mr
Jenkins, Mr

Mildenhall, Mr
Morand, Ms
Munt, Ms
Nardella, Mr
Neville, Ms
Overington, Ms
Pandazopoulos, Mr
Perera, Mr
Pike, Ms
Robinson, Mr
Savage, Mr
Seitz, Mr
Stensholt, Mr
Trezise, Mr
Wilson, Mr
Wynne, Mr

Noes, 24

Asher, Ms
Baillieu, Mr
Clark, Mr
Cooper, Mr
Delahunty, Mr
Dixon, Mr
Doyle, Mr
Honeywood, Mr
Jasper, Mr
Kotsiras, Mr
McIntosh, Mr
Maughan, Mr

Mulder, Mr
Naphine, Dr
Perton, Mr
Plowman, Mr
Powell, Mrs
Ryan, Mr
Shardey, Mrs
Smith, Mr
Sykes, Dr
Thompson, Mr
Walsh, Mr
Wells, Mr

Motion agreed to.**Read second time.****MINERAL RESOURCES DEVELOPMENT
(BROWN COAL ROYALTIES) BILL and
MINES (ALUMINIUM AGREEMENT)
(BROWN COAL ROYALTIES) BILL***Third reading*

The DEPUTY SPEAKER — Order! The questions having been resolved in the affirmative, is leave of the house granted to proceed immediately to the third reading of both bills? There being no objection, the question is:

That these bills be now read a third time.

Question agreed to.**Read third time.***Remaining stages***Passed remaining stages.**

CONGESTION LEVY BILL

Second reading

Debate resumed from 5 October; motion of Mr HULLS (Attorney-General).

Mr CLARK (Box Hill) — The opposition opposes this bill. This so-called congestion levy, or parking tax, is purely and simply a grab for extra revenue, dressed up with a fabricated claim that it will ease inner city congestion. It is a grab to raise an extra estimated \$40 million a year, and that extra revenue comes, of course, on top of all the other taxes, charges, fees and so on that the Bracks government has increased over recent years. These include the Bracks government's deliberate strategy to increase the burden of land tax and stamp duty, its new water tax and the doubled brown coal royalties that this house has just debated — and the list goes on. This is a bill that will impose a substantial compliance burden not only on car park operators and the owners of large city buildings but on everybody who owns a car parking space within the area to which this levy applies.

The first schedule to the bill makes clear the extent of its application. The explanatory memorandum claims that the levy is to apply in certain inner city areas of Melbourne, including the central business district (CBD), Southbank, St Kilda Road, Docklands and East Melbourne. To that list should be added parts of West Melbourne, Fitzroy, Collingwood, Jolimont and South Yarra. It is a levy that is going to apply to off-street, long-stay, non-residential parking spaces, with limited exceptions. It has a convoluted definition of what it deems to be a 'long-stay parking space', which it defines as being spaces available for ongoing use by an owner, lessee or licensee in a private car park, and spaces in public car parks that are used for 4 hours or more by a car entering before 9.30 a.m. and exiting after 9.30 a.m. on a weekday. It goes on to add that where the length of time that the car is using the car parking space cannot be determined, the space is deemed to be a long-stay space if the vehicle is in it as at 9.30 a.m.

The bill deems that public car parks have 75 per cent long-stay spaces, unless the operator provides satisfactory information to the State Revenue Office (SRO) to show otherwise. It is going to impose a levy of \$400 per space in 2006, \$800 in 2007, and then indexed annually in accordance with the consumer price index from 2008. The levy is going to be applied as at 1 January each year for every leviabale parking space that existed at any time during the preceding year, with pro rata reductions if the space was not leviabale for

the whole year. The qualification is that in 2006 the levy is going to be payable on the estimated number of spaces in 2006, with an adjustment based on final numbers after the end of 2006.

As I said at the outset, this is purely and simply a grab for revenue. There has been no genuine attempt to mount any case as to why this is a measure that is sensibly thought through and targeted towards reducing congestion. Indeed, just a short time after the government announced this new tax, we have the absurd situation of the Treasurer referring the whole issue of inner city traffic congestion to the Victorian Competition and Efficiency Commission (VCEC).

If there was any good faith at all in the government seeking to introduce measures targeted at reducing congestion, surely the government would have first referred the issue to VCEC for inquiry and report, and then acted on the basis of the inquiry. The fact that the cart has in this instance been put well and truly in front of the horse yet again shows that this is a grab for revenue rather than something that has been thought through as a measure to reduce congestion. It is going to be yet another tax on motorists on top of the increases in registration charges and drivers licences, and on top of the ever-present misuse of speeding fines as a revenue raising device.

It means that workers who have no choice but to use their cars to travel to and from the inner city area to earn their living are going to end up paying this tax one way or another — either directly through higher car parking fees or indirectly through the impact it will have on their salary and remuneration, and the benefit arrangements they have with their employers.

What is clear is that one of the key reasons why this tax is not going to have a significant effect on congestion is that it is targeted at those members of the commuting public who by and large are going to have no practicable choice but to grit their teeth and pay the extra impost. In other words, it is going to have only a minimal effect on behaviour, because most of the people who are driving and parking in the inner city area have no choice, either because of the hours of work and the time constraints that their work imposes on them or because of a lack of suitable public transport alternatives.

This shows yet again the economic ignorance of the Treasurer who, the other day, put forward the absurd proposition that halving tolls on EastLink would not result in any change in the traffic volume despite the very strong economic evidence to the contrary. Now he is making the claim that this increase in charge is going

to affect volumes of usage. Again he is completely misunderstanding the situation. He fails to understand the concept of price elasticity, whereby in some circumstances there can be a substantial response of demand to pricing signals but in other circumstances there is minimal response.

Someone who was truly and sincerely directed at getting an intelligent policy decision would appreciate that difference. They would ask the right questions and get the right answers about what the elasticity response is to be in any particular situation. Here it is pretty self-evident that the elasticity response is going to be low, as most motorists will have no choice but to continue to use their cars to drive into the central business district (CBD) or surrounding areas, and park there each day. That should be apparent simply from commonsense and thought about the situation. But it is not supported by commonsense alone.

It is also supported by a detailed study and report by the economic analysts Access Economics on behalf of the Property Council of Australia. In case government members get into the usual habit of trying to rubbish anybody from a professional or expert background who happens to reach a conclusion that is inconvenient to the government, let me remind members that Access Economics has been used on many occasions by the Bracks government. Access Economics did a report entitled *Melbourne Car Parking — Good Policy or Revenue Grab?*, which was released on 26 July this year. It concluded that the parking tax as announced in the state budget:

... appears more likely to be focused on raising revenue through the imposition of a new, selective business tax rather than reducing congestion costs.

The quote, at page 1 of the report, sums up the whole situation. To add supporting evidence Access Economics found that the tax is:

... at best a blunt, poorly targeted and discriminatory method of mitigating the costs associated with traffic congestion in the Melbourne CBD —

as it said at page 1, and —

using it to increase the supply of short stay off-street parking directly undermines its role in reducing congestion and associated costs.

On page 13 of the report Access Economics found that:

The bases for the levy are conflicted, confused and likely to generate inefficient outcomes and perverse results.

At page 3 it says:

There is an inherent conflict between the first and third stated objectives of the levy — that it should raise revenue to fund public transport initiatives while simultaneously reducing congestion, pollution and greenhouse gas emissions by reducing traffic in the CBD.

Mr Stensholt interjected.

Mr CLARK — The member for Burwood says that is rot. I am looking forward to his detailed economic analysis and critique of what Access Economics had to say. Last but not least, I quote from page 2 of the report:

The proposed levy rates poorly against best-practice policy instrument design. It should not be implemented.

In the second-reading speech we had the government again in its slippery use of words trying to create the impression that there is widespread support for this measure:

The Business Council of Australia and the City of Melbourne, as well as environmental groups, all support congestion charges, with similar systems in place in Sydney and Perth.

As far as I am aware — and I will be most interested in whether the member for Burwood, as a parliamentary secretary, can produce any evidence to the contrary — the Business Council of Australia has raised the issue of inner urban congestion in a detailed report that it released earlier this year, with a very constructive study of this and other issues by Port Jackson Partners. But that study certainly did not advocate a parking tax or congestion charge of the sort contained in this bill; it listed, without endorsing, a range of other possible measures.

As far as I can recall, the Business Council of Australia has gone no further than what was contained in the report prepared for it. Despite the engineering and manicuring of words by the government to give the impression that the Business Council of Australia supports this parking tax, as far as I am aware it does not. The government slides on from that to suggest that there are similar systems in place in Sydney and Perth — implicitly systems that are working well. That is refuted by all the available evidence. The evidence is to the effect that the congestion charges in both Sydney and Perth have not proven effective in reducing congestion.

This is a grab for revenue; it is yet another impost on working Victorians. It is also an impost that will undermine the Victorian economy. Most directly it is going to deter people from building any new car parks if they can possibly avoid it because if they can be hit with this levy — —

Mr Stensholt interjected.

Mr CLARK — If I hear it right, the member for Burwood says that is what the levy seeks to achieve. Let us have that placed on the record, because from what the Treasurer was saying I thought the idea was to bring about more short-stay car parking spaces so that people would not have to drive around in a circle looking for car parking spots. Now the member for Burwood seems to be saying they want to stop the construction of new car parks so far as they can.

Mr Stensholt interjected.

Mr CLARK — It certainly will have that effect, because how on earth can you contemplate building a new car park, whether it be for long-stay or short-stay spaces, when you do not know when the government is next going to take another bite out of your cash flow? We have seen a similar pattern by the government with the poker machine levy, which started off at, I think, \$300, went to \$1500 and then to \$3000 in successive bites — a tenfold increase. If you apply the same logic to this impost, we are quickly reaching \$800, but within a few years it may be \$8000 per car park.

Again, government members cannot just say, 'We're only after long-term spaces; you'll be fine if you build a short-term space'. First you have to overcome the administrative hurdle of convincing the State Revenue Office that you have anything other than 75 per cent long-stay spaces. Then you have to bear in mind that a car park is — again to use a piece of economic jargon — a joint product, where you are producing both long-stay and short-stay spaces with the one productive activity of building a car park. So adding to the cost of one deters the willingness to build the whole project.

This is, of course, not a threat hanging over just people contemplating building car parks in the inner city area. If you extrapolate the logic, why not impose a levy in Camberwell, near the member for Burwood's part of the world, in my own electorate of Box Hill, in Frankston or in Dandenong? If the bill is going to work to reduce congestion in the CBD, let us whack it on wherever traffic bottles up around district centres or shopping centres. Why not go after the car parking spaces surrounding all the regional shopping centres? There is another potential lucrative source of revenue if the government wants one. Once you start the ball rolling with such new taxes, there is not only the immediate impost but also the fear it legitimately it creates in everybody else's mind as to whether they are going to be next.

Members of the government perpetually brag about the number of taxes the government has allegedly eliminated. When you do the count you find that almost all those are part of the GST package put in place by John Howard and Peter Costello. You are scratching to find any tax that the Bracks government has eliminated of its own motion. Now we are getting a series of new taxes being put onto the statute books.

By imposing the impost on central Melbourne, you are undermining one of Melbourne's potential competitive strengths versus Sydney. We know that at the moment New South Wales is suffering a range of difficulties. Not least of them is the rising cost of doing business in Sydney. One of Melbourne's advantages is that it is cost competitive, that you can have first-class facilities, access to the skilled and able work force and the other benefits of doing business in Sydney but at a much lower cost in Melbourne. While Sydney is now struggling, we should be seizing the opportunity to try to win back to Melbourne some of the corporate head offices and other CBD-based businesses that we have lost to Sydney.

We should be trumpeting our competitive strengths. Instead of using those strengths to attract business to this state, the Bracks government is busy eliminating those strengths by new imposts such as this parking tax. This is an altogether bad measure in policy terms. It will also be a very onerous administrative burden on people living, working or owning businesses in the area to which the levy applies.

Earlier I mentioned briefly some of the definitional and application issues that have been created by the way the levy is designed. I refer in more detail to one particularly absurd requirement of the bill as it has been brought before the house, and that is the requirement as to registration of private and public car parks. Clauses 27 and 28 of the bill require respectively that the owner of a private car park and the owner of a public car park must apply to the commissioner for registration under division 1. A penalty of 60 penalty units, or something upwards of \$6000, will be imposed if a person fails to do that.

One then asks: exactly who has to register? Will it be simply those who have to pay the levy? The answer to that is: no, it is not those who are liable to pay a levy; it is the owner of a private car park or a public car park. Then we look to see exactly who falls within the definitions of owners of private and public car parks. When we go to the definitions in clause 3, we see:

... 'private car park' means a car park or part of a car park that is not a public car park;

'public car park' means a car park the predominant number of parking spaces in which are set aside for, or used by, the general public —

and then there are some additional qualifications. By and large, the terms 'private car park' and 'public car park' cover the field — a car park is one or the other.

Then we look to see what is a car park. The bill provides:

"car park" means premises or part of premises in the levy area that contain one or more parking spaces.

'Parking space' is in turn defined to be:

- (a) a space set aside for the parking of a motor vehicle, whether or not the space is used for the parking of a motor vehicle and whether or not the space is permanently delineated as such; or
- (b) a space used for the parking of a motor vehicle, whether or not the space is permanently delineated as such —

but does not include a space that is part of the carriageway of any street, road or lane open to or used by the public.

What do we get when we boil down all that? Anything is a car park if it contains a parking space; a parking space is anywhere which is or can be used for the parking of a motor vehicle, other than a space out on a street or roadway. In other words, every off-street car parking space in Melbourne qualifies the premises within which that car park is located as being a car park, and, given that it is a car park, it must be registered.

Let us just think about the implications of that. Basically it means that every owner of a flat, apartment or house that falls within the catchment area for this tax and which has an off-street car parking space will have to register under the bill. Every hospital, charity and museum and all the other public institutions that are exempt from the levy are nonetheless owners of private or public car parks and therefore must register.

One has to just think of the thousands of nooks and crannies around the inner city area which either are used for parking of cars or are delineated for use for parking of cars to realise the extent of the registration burden that will be imposed on the poor residents and other owners of properties within the levy area. For what? For no revenue benefit, because the vast majority of those spaces are not liable for the levy because they are residential spaces or they fall within one of the other exemptions — but they are required to be registered. I would guess there are tens of thousands of spaces and probably many, many thousands of individual owners of spaces within the levy area. All those poor people will have to download a form from the SRO web site,

line up at the SRO offices or ring to get a form, fill out the form and have the application form lodged by 21 January 2006 or be exposed to a \$6000-plus fine, courtesy of the Bracks government.

There has been a lot of song and dance by the government about its attempts to cut red tape and its commitment to light-handed regulation. We have had glossy booklets issued by the Premier. The Treasurer has been boasting about his Victorian Competition and Efficiency Commission and the references he has given to it about reducing red tape, yet we have this absolutely absurd bureaucratic requirement contained in the bill. I understand that the approach of the State Revenue Office is that it will not be tough on people who do not register when they are not liable for the levy. But that is not what they are seeking to do. They just want to have people registered who will pay the levy so they can supervise them and administer the collection of the tax.

If it is the intention of the government not to require people who do not have to pay the levy to register, then why on earth does the bill not say so? Why has there not been a house amendment announced by the member for Burwood or the Treasurer to fix this problem, if it is not the government's intention? Why is it that it seems intent on pressing on with this absurd regulatory requirement that will impose this additional burden on inner city property owners and residents? It is a burden that will be imposed not only at the cost of those liable to register, but at the cost of taxpayers through the administrative requirements of the State Revenue Office. What will it cost to receive and process all these registrations? The data entry requirements will be prodigious. How much of the additional money allocated in the budget for increased administration in the SRO will be devoted to this mindless and unnecessary registration requirement?

The government cannot just say, 'We are not going to enforce this part of the law, so it will not be a problem'. This is the law in black and white. A property owner will have to comply with the law whether or not the SRO says it is going to enforce it; and if the law is saying that you have to register, then as a law-abiding citizen you will need to register. People will have to comply with this requirement. Regardless of what the SRO might say about how it may propose to administer the law, there is a \$6000-plus penalty hanging over the head of someone who does not register. This adds insult and absurdity to the injury caused by the levy imposed by this bill.

For all those reasons, the opposition strongly opposes this legislation. It is just a bare unprincipled and

unjustified grab for additional revenue. It is economically inefficient, it is unfair to the many ordinary Victorians who will be forced to pay this levy and it is a measure that should be rejected by this house.

Mr RYAN (Leader of The Nationals) — This is legislative theft. If a private citizen did what the government is proposing to do under this bill, that citizen would be arrested, charged, arraigned and convicted, because this is legislative theft. It is a bald-faced tax grab by the government, wrapped up in a notion of a congestion levy. It is another step along a path that the government is now well down.

The irony in it is that it was announced at a time soon after the Premier had boarded a plane departing Australia. He had left the place in the ‘capable hands’ of the Deputy Premier and the Treasurer. He had hardly gotten out to Tullamarine and settled himself in his seat, and these two were loose. Didn’t they have a big week? They had a terrific week!

I am not sure what order it came in but we had this harebrained scheme which unfortunately is going to cost Victorians \$40 million. Then at or about the same time we had these two loose in the gambling industry, and they snipped the industry for a quick \$45 million. I do not think the Premier had even landed wherever he was going when these two were out loose on the hustings. Victorians, particularly those in the business sector but also in a private sense, were having to wear the cost of these initiatives.

This is a blatant car parking tax. If you read the second-reading speech, you read all the usual rhetoric about the basis for doing this. Mind you, one important slab is absent and I will return to that in a moment. This is just another instance where the government is enabling itself to take money on a taxation basis for reasons which cannot be justified on the merits.

It is a process that I have come to call a Victorian state government pen stroke tax. Not satisfied with receiving the benefits of the GST at the federal level, which is about \$8 billion a year — the Treasurer goes down to the letterbox each month and receives a cheque from Peter Costello for about \$670 million — the Victorian government is now introducing the PST.

The aim of the pen stroke tax is very simple. You set up a structure, as has been done, for example, with the tax on the gaming machines, so that with the stroke of a pen you can adjust it — inevitably upwards — as the whim strikes. That is what the government did with the tax on gaming machines, that is what it is now doing with this tax, and that is what it has done with the CPI

increases which are now built into legislation and which ensure that on 1 July each year a vast array of fines and fees automatically increase. It is all a variation on the basic theme — the PST. It is appalling that the government continues to indulge in this. I hasten to add that it is not going on without being noticed. When you move around town not only in country Victoria but in Melbourne — and it is considered a pretty small town among those who make it tick — and you have conversations with people you realise that they are utterly aghast at the processes in which the government is engaging, this being yet another one.

It is said by the government that we have a problem with congestion in Melbourne. It says that that is based on the material that is being produced, in part at least, by the Committee for Melbourne. I must say as a bald statement of fact that we have an issue with congestion in Melbourne. But you do not seek to resolve it in this way, because this is not a resolution.

The conversation is said to be all about greenhouse gases, yet the government is advocating short-term car parking stays. That is an interesting bit of logic. The government is looking to discourage the practice of people driving their cars in in the morning, parking and then staying during the day for whatever period of time, and instead is encouraging short-term stays. Instead of the process I have already described, people will be driving their cars around Melbourne willy-nilly looking for short-term car parking, which will inevitably mean more traffic movements on the road, which in turn will aggravate the very problem the government purports to be solving with this legislation. It is a fiction. This never was intended to be, and never can be, a solution to the issue of congestion.

Under clause 4 of the bill a long-term car park is termed as being:

... used for the parking of a motor vehicle for a period of at least 4 hours on a working day, commencing at or before 9.30 a.m. and ending at or after 9.30 a.m.

The government has struck 4 hours as the appropriate measure and is advocating for short-term as opposed to long-term users. It is a complete contradiction in terms. The clause notes on page 3 state:

The definition is intended to capture the parking spaces used by those who contribute most to inner city congestion.

That takes me to the next point. Where is the justification for that statement? How in the name of creation can that outrageous statement be justified? And where is the commentary to this general effect in the second-reading speech? I emphasise that point in

particular, because over the past six years we have all become used to the extraordinary rhetoric which is contained in second-reading speeches. They are not second-reading speeches in the historical sense; they are policy statements. They are used to bag the former government, to belt someone the government feels may need a bit of a whack, and generally to present the government's case. In these days of 20-page second-reading speeches you have to get to about page 6 before you get to anything to do with the legislation itself, because the government trots out all this material purportedly to justify its position.

Here is a tax that will raise \$40 million a year from the poor, long-suffering citizens of the fair state of Victoria — and there is not a word of justification, just a bald statement that the government is introducing what it delightfully terms a 'congestion levy'. It is utterly and absolutely bereft of any justification, in any clinical, contemporary sense, for doing this. It is another element of a disgraceful piece of legislation. Where is the research? Where are the reports? Where is the international experience? Where is the world's best practice we keep hearing about from our usually loquacious Treasurer? Where is all that? Of course it is not here — because it does not exist. It is an absolute and utter fiction.

The longest part of the second-reading speech dedicated to a particular issue is the part which explains the section 85 provision. Some one and a half pages of an eight-page second-reading speech are dedicated to explaining a provision which this government regularly criticised the former government for when our respective positions in the house were reversed.

What will the impact of all of this be? Small business will cop it in the neck — yet again. Self-employed people will get it in the neck — yet again. This will be an administrative nightmare, an element of which has been pointed out by the member for Box Hill. It will be a terrible problem for those people who are exempt or who want to seek exemption — and there is a difference between those two terms. It will be a real problem for them to register in the first place and then get themselves exempted. What a nightmare that will be.

This will dilute the competitive advantage we have insofar as other cities that have this silly system are concerned. We are about to abandon that competitive edge. This again displays the palpable inability of the state Labor government to manage money. It had a \$20 billion budget five years ago and it has a \$30 billion budget this year — and it still cannot make it work. It is out there snipping another \$40 million out

of the community, albeit that it is utterly awash with money — and it has more coming, of course.

There are also issues to do with land tax, where the Treasurer is refusing to confirm the impending application by the government of a tax in relation to properties held in trusts. When pursued about it in here the other night during the debate on the Land Tax Bill he ducked it completely, refusing to get to his feet and make a contribution. I asked him the question yesterday in question time — and he ducked it completely again. It is coming like a train in a tunnel. People will get it in the neck again. Then there will be the energy levy, which was referred to in the debate on the brown coal royalty bills this morning.

I pause to say that I heard the member for Morwell justifying the application of that levy in a very interesting way. He argued that we should not be complaining about this, because it is not as high in Victoria as it is in other states. Now that is a great reason to be getting stuck into industry, arguing that we should have an aim as a state of having our taxation system catch up with everybody else's. That is a really great way to do business — and we are seeing more elements of that in this legislation.

What have the reactions been to this preposterous proposal? I think it is fair to say that there has been virtually universal condemnation of it. The exception I can find is the Melbourne City Council. John So is a great bloke — he is a good Lord Mayor and he does a terrific job — but on this issue the council has to be careful about where it stands, because it has a vested interest in it. Out of the \$40 million snip, the Melbourne City Council will get \$5 million a year. Recently the MCC did its own investigations of this issue and decided that it would not be doing it. Now that it is going to get \$5 million out of it, the council seems to be having another look. I ran a legal practice for many years, and I tell you what: if the council was in the witness box it would be looking a bit ordinary, given its point of view on one day as opposed to its point of view on another.

Putting that aside, I have the ultimate proof of my argument, which I know the Treasurer will identify with. I have a sheaf of clippings with me, and I am happy to leave them with him. Time is against me going through them in detail — —

Ms Kosky interjected.

Mr RYAN — I have! I have clippings — the ultimate proof! On Thursday, 6 October, the *Herald Sun* says 'Car park tax slammed'. The next is from the

Age of 6 October, which says ‘Car park levy “won’t ease snarls”’. Then on 19 May the *Australian* had a rather oblique headline, but it is not bad when you think about it; it says: ‘They’ll pave over yields and put up parking a lot’. You have to think about that a bit — but it’s okay!

There is another one from the *Herald Sun* of as far back as 27 April, that says ‘Bracks taxes success’. In this article an analysis has been done by in particular John Ferguson of the *Herald Sun*. He refers to this tax in a pretty colourful way. Also in the *Herald Sun* of 23 September was a heading that reads ‘Parking tax angers drivers’ — and why would it not? Then there is the *Herald Sun* headline of 7 October that deals with the ‘State’s \$800 million bonus’. In the course of this article the *Herald Sun* refers to this parking tax proposal — and so on, and so on. It is conclusive evidence, and I tender it. It is exhibit A! The Treasurer loves his clippings.

Ms Kosky interjected.

Mr RYAN — I have lots more of them — buckets of them. If the Treasurer stopped to have a look at his precious clippings —

Ms Kosky interjected.

Mr RYAN — I’ve got you in! If he stopped and had a good look at his precious clippings he would be finally persuaded that this is a dog of an idea and that the government should abandon it. The fact is that the levy on car parking spaces is not going to work. Everybody has bagged it up hill and down dale, and why would they not? The answer to that rhetorical question is that it just will not work.

In his report to the Melbourne City Council Murray Young from Adelaide made it clear that this concept does not work. In the course of that report he had regard to the application of this levy in Perth. What was the conclusion in Perth? It does not work. In the course of preparing the report he had a good look at the way this system is supposed to operate in Sydney. What did he conclude arising out of that? It does not work, and the evidence is palpable that such is the case.

On the contrary, the evidence that it will work is absolutely absent. Nothing the government has advanced to date in terms of this whole debate gives any solace to the basic argument that this will work. When you take that element out of it, then you get back to where the reality is in all this. It is another grab for taxation on behalf of a government already swimming in money, which cannot manage the finances of the

state going forward and which is therefore looking to the poor old long-suffering taxpayer of Victoria to pay up yet again. I might also say that the material contained in the report by Murray Young is similar to that in the report produced by Access Economics. The bottom line? It is a dog of an idea.

If, on the other hand, the government were serious about traffic congestion, why does it not have the courage of its convictions and do what has been done to deal with congestion per se in other places around the world? If government members want to run the line that their base concern is about congestion, and if they want to persist with that in its own right, then why do they not have the courage of their convictions and do what the Londoners have done?

Dr Napthine — That is what Carlo supports. He has just nodded. He supports it. The member for Brunswick supports the idea!

Mr RYAN — That’s good. We’ve got it rolling. The suggestion has been made.

Dr Napthine — He is nodding his head. It is on the record.

Mr RYAN — What is his seat?

Dr Napthine — Brunswick.

Mr RYAN — The member for Brunswick is over here, and he is a parliamentary secretary, I believe. He is a man of some moment and is not to be scoffed at. His opinions in these matters are important; they carry weight, probably more than those of the member for Burwood, with due respect to him. If the member for Brunswick is in here nodding his assent to that sort of proposal, I would at least listen to what he had to say. I think it bears examination if in fact the government wants to pursue the issue of traffic congestion in the central business district of Melbourne.

This is just a silly idea in the sense that the notion of taking another \$40 million out of the pockets of Victorians is unjustified and should not be done anyway. However, the really silly component of it is to try, as this bill attempts to do and is about to give effect to, to make a nexus between snipping Victorians for another \$40 million on the one hand while trying to cloak it in the notion of solving traffic congestion on the other. There is no nexus. It has been established as a fact in other parts of Australia that there is no nexus. The government cannot advance an argument to say that there is, and that is why this legislation is a mistake and is, in turn, why The Nationals are opposed to it.

Mr STENSHOLT (Burwood) — I support the Congestion Levy Bill, which introduces a levy on parking spaces in the inner city, including the central business district, Southbank, St Kilda Road, Docklands and East Melbourne. It is a new levy payable on long-stay inner city car parking spaces, and the intention of the bill is to reduce traffic congestion. Congestion is about congestion, and this levy aims to reduce it.

The Leader of The Nationals again gave a scintillating analysis of a bill. He was looking for reasons, but he seems to have failed to read even the first page of the second-reading speech. A whole lot of reasons were provided by the Minister for Planning in the second-reading speech for the introduction of the bill, the intention of which is to contribute to the reduction of traffic congestion in Melbourne's inner city through its acting as a financial deterrent.

An attempt was made by the member for Box Hill to give us a lesson in Economics 101. He talked about price elasticities and other aspects, but it seems to me that if you put up the price of something — and my memory of Economics 1 at the Australian National University is that it used to be done by way of supply-and-demand curves — people reassess their economic decisions as the price goes up. There may well be certain goods where prices will not change those decisions, but you will be surprised when it comes to transport just how much elasticity there is.

An honourable member — What is it?

Mr STENSHOLT — I will give some examples. The price of fuel went up recently. I am sure many of our constituents have raised this issue with all members of Parliament, and there is concern out there about the price of fuel. What has been happening in Melbourne? I know the Leader of The Nationals might not know about this because he comes from Gippsland, but things have been happening in Melbourne over the last year in terms of the effect of the price of fuel and economic choices. There has been an increase in the use of public transport of between 7 per cent and 8 per cent. Is there elasticity? Yes, you can see that people are reacting and making decisions in terms of price in this regard.

This bill introduces a levy on car parks. The analysis is that it will cost about \$3 a day, and that will have an impact. In some ways you can argue that the pricing signals given by car parks in Melbourne are actually inefficient. Long-term car parking is available in Melbourne from as little as \$7 a day. The Leader of The Nationals has left the chamber, but this information is from an article that appeared on 8 April on the

findacarpark.com web site. The article, by the site's transport reporter, says:

In comparison, the cost of a return journey from zone 2 — in other words, from Box Hill to the city — by public transport is \$9.50.

I should say that some of these pricing signals are a bit inefficient in that regard. In fact the average cost of a long-term car parking space in Melbourne is about \$11 or \$12 a day. In Sydney it is about \$24, so there are some issues involved. I make two points: firstly, it is possible that they are not priced correctly given the issues of scarcity, and scarcity means congestion. In other words, there is a scarcity of road space for people to use, and you want to try to reduce that scarcity.

My second point relates to competition. Both the member for the Box Hill and the Leader of The Nationals have said, 'It is going to be terrible. Woe is us! We will not be as competitive as Sydney'. There is a very large gap between the pricing signals for long-term car parks in Melbourne and in Sydney — it is around about \$12 — so we will still remain highly competitive in terms of cost.

A range of research has been conducted. Both the member for Box Hill and the Leader of The Nationals said there is no research, but in fact there is. I am sure the member for Box Hill would have read the very long article, published in the *Age*, I think, several months ago, about congestion as a 21st century challenge. The Committee for Melbourne report shows that congestion costs the city around \$4 billion a year. That is not insignificant, and it is expected to rise to \$8 million by 2015 — that is a huge cost. People will be sitting in trucks, doing nothing and not able to drive for up to 3 hours a day.

The Business Council of Australia — which we can relate to; I am not sure the opposition can, but I hope it can — estimated that urban congestion already costs Australia \$16 billion a year. That is 2 per cent of our gross national product, which is an awful lot of money. It also estimated that this would grow to around \$30 billion by 2015. That is an awful lot. We are not saying this levy is the final solution. We are looking at a whole range of measures, but this is one measure among many to reduce city traffic congestion and air pollution.

The main congestion problems occur in the morning, in the evening and late afternoon — it is called peak hour — and you need to make an impact on that. The member for Box Hill talked about casual parking

et cetera. There are lots of other possible measures, such as staggering working hours and that sort of thing. However, we have a congestion problem now. We are therefore introducing this levy to address that particular problem by providing a greater incentive for people to change their economic decisions and use public transport or car pooling. If you travel along the Eastern Freeway in a car pool you will probably get to town early, and you are only using one car instead of three.

We have brought in other measures, including a range of initiatives in Port Melbourne, tram priority programs, an increase in park-and-ride facilities, education of motorists and an expansion of transit lanes, which I have already mentioned. We have to look at economic growth. We have to ensure that business and life is conducted in an efficient and economical way in Melbourne and throughout Victoria.

The growing problem of transport congestion will not go away. I was appalled at the member for Box Hill saying he wanted to do nothing. I have to change that slightly — he wanted to build lots of car parks. The Liberal Party is a policy-free zone and is unfit to govern. The member for Box Hill wants to do nothing; he simply wants to study these things. I have already mentioned a range of research to him. If he wants to discuss pollution, I could talk about the commonwealth Bureau of Transport and Regional Economics report about the health impacts of transport emissions. I commend the report to him and suggest he has a look at its estimates of the impact of motor vehicle pollution on morbidity and early deaths in Australia in 2000. He should study those.

The member for Box Hill thinks congestion is a new issue, but it is not. We should not just sit on our hands and do nothing. We need to address these matters, and this legislation is one way of doing so. We are not sitting on our hands, but are doing something. We have done other things and will do further things. We have asked the Victorian Competition and Efficiency Commission to undertake further investigation of a range of issues surrounding transport congestion. We, along with the Business Council of Australia and the Committee for Melbourne, are taking this issue seriously. We are taking a definite step towards reducing congestion by introducing this levy. We are serious about this and we are serious about Melbourne. The Liberal Party may not be and The Nationals do not care, but we are here to do something for Melbourne by reducing traffic congestion and pollution with this levy. I commend this bill to the house.

Ms ASHER (Brighton) — The opposition opposes the Congestion Levy Bill. It is like another sitting day,

another tax — or least another tax increase — with this government — —

Dr Napthine — No, it is two today; we have already had one.

Ms ASHER — Indeed. We had one on Tuesday as well. As other speakers have indicated, the bill proposes a parking levy of \$400 in 2006 and \$800 in 2007 and for it to be indexed annually thereafter. It will apply to certain areas of the central business district, Southbank, St Kilda Road, Docklands and East Melbourne. The real reason for this bill is that the government anticipates the levy will raise \$19.4 million in the year 2005–06. The government's stated reason for this bill is to reduce congestion.

The government becomes more and more brazen in its second-reading speeches. This bill's second-reading speech says:

The levy is about reducing congestion, not raising revenue.

Nothing could be further from the truth. I want to raise a couple of issues in relation to the government's nonsensical stated objective of reducing congestion. First of all, the government said this bill would encourage people to use public transport. I do not know what train lines members of the government use, but I refer the Treasurer to the inadequate services on the Sandringham line. We have had to endure the greatest number of cancellations on any single line throughout the metropolitan system.

I suggest to the government that if it were serious about increasing the number of people on public transport, it would call in Connex and negotiate a better train line, for example, for the electorate I represent.

An honourable member — The Broadmeadows line.

Ms ASHER — I don't think the Treasurer knows too much about the Broadmeadows train line.

The second element in the bill I want to comment on is the definition of 'long-stay'. The government alleges that this is all about having short-stay car parks, but then the government said it decreed that 75 per cent of the places were going to be long-stay anyway, unless the owners or the operators could prove a case for it to be otherwise. Again, it is completely artificial to decree 75 per cent and indicates, obviously, that the truth of the matter is that this is a revenue-raising exercise by the government.

As the member for Box Hill said, the government has also established an inquiry by the Victorian Competition and Efficiency Commission on the issue of congestion. That is good. In the main, congestion creates costs for business, and the VCEC is a good body to have a look at that. But of course, as the Committee for Melbourne has subsequently argued, if the government were serious about reducing congestion, it would allow the VCEC to conduct its inquiry. Then, perhaps, if this were a recommendation it may have looked at this tax at the end of that process rather than at the beginning.

I also make the observation in relation to the reporting requirements, covered more than adequately by the member for Box Hill, that the government's rhetoric for business is completely contrary to what it actually does, and this provides a good example. On the one hand, many of us in this house would remember a couple of months ago when the Premier brought down his vision statement: everything he wanted for Victoria for the future — he was a man of vision. As part of that statement several pages were devoted to reducing regulation and red tape.

On the other hand, in a number of specific bills coming before the house — and this is one of them — the reporting requirements based on people are completely and utterly in contrast to the so-called nonsense and fluff put in the vision statement.

There has been much opposition to the levy. In my experience industry associations rarely get together. In fact this is only the second occasion of which I am aware on which they have got together, and that is because they are against this legislation. The following industry associations have come out against this additional tax: the Property Council of Australia, the Australian Retailers Association, the Real Estate Institute of Victoria, the Victorian Automobile Chamber of Commerce, the Shopping Centre Council of Australia, the Victorian Parking Industry Association, and the Master Builders Association. As I said, it takes a lot for industry associations to band together because they normally have different constituencies, but in this case they are all opposed to this government's additional tax grab.

Indeed, in its 'CEO update' the Victorian Employers Chamber of Commerce and Industry (VECCI) makes the point:

The new city car parking levy announced on Tuesday, 26 April has been introduced without due consultation with business, and without hard evidence of the extent to which the new levy will reduce traffic congestion and over what time frame. Worse still, the levy almost certainly will be passed on

to business users and, as such, may impact on business profitability and investment decisions.

As well as that, in a media release headed 'Car park levies should be deferred pending VCEC review', the Property Council makes the point I made earlier — and I quote the author of the release, Jennifer Cunich:

The government has done the right thing and asked VCEC to investigate congestion. It is logical that the levy should be considered in the context of this inquiry, and therefore should not be introduced on 1 January 2006 ...

The best example of the reasons that organisations are against this particular increased tax comes from Access Economics, and I remember clearly that on a number of occasions the government has cited Access Economics as a reputable entity. I remember very clearly Access Economics costing the government's election promises in 1999. That company provided a report dated July 2005 entitled 'Melbourne car parking levy — good policy or revenue grab?'. It was compiled for the Property Council and its overview reads as follows:

The proposed Melbourne long stay car parking levy is not good policy. Rather:

it is at best a blunt, poorly targeted and discriminatory method of mitigating the costs associated with traffic congestion in the Melbourne CBD.

using it to increase the supply of short stay off-street parking directly undermines its role in reducing traffic congestion and associated costs; and

on balance, only the third objective cited for its introduction rings true — it appears more likely to be focused on raising revenue through the imposition of a new, selective business tax rather than reducing congestion costs.

I note also the comments in relation to the tax being able to be moved to the end user. John Ferguson of the *Herald Sun* canvassed this point briefly. Given that I am the industry spokeswoman for the Liberal Party and I have raised the concerns of business, as you would expect me to, I would also like to raise a concern about this tax that has been brought to my attention as a local member of Parliament.

The concern is that many women drive to work and want their cars to be very quickly available — that is, they use car parking because they need to pick up children after school. This is one of the elements of this particular tax that the government has not thought through. It claims to be very cognisant of the needs of working women; it claims to be family friendly, and I think this is a pretty lousy tax that will hit people who really need a car to be available at or after work for something as simple as picking up children after school.

I also refer to an email that I and I assume other members received from Text Media complaining about the levy operating in St Kilda Road. This is from a business employing 12 people. The state manager of Benchmark Debtor Finance Pty Ltd, Tim Le Roy, wrote:

I have contacted John Brumby's office and received the usual trite response talking about consultation et cetera from some apparatchik but basically feel we are being used to plug holes in the Bracks government revenue stream.

He then went on to describe the Bracks government as 'monkeys'. That is a very restrained definition from a business that is going to be impacted on by this parking levy.

In conclusion, the issue of congestion in Melbourne is important. Again, the costs are borne primarily by business, but also by individuals, and of course there have been solutions advanced worldwide. I would have thought if the government is serious — and most of this is in its preliminary stage — about congestion in Melbourne, it would have had recommendations and policies at the end of a considered process rather than at the beginning. The truth of the matter is that this is simply a revenue-raising grab — \$19.4 million is the estimate for the 2005–06 year. It is a lousy bill but it is completely consistent with the Bracks Labor government's heavy-taxing policies.

Mr CARLI (Brunswick) — I rise to support this bill. It is very good public policy for a number of reasons. There have been a lot of estimates of the cost of congestion. The commonwealth Bureau of Transport and Regional Economics as well the Committee for Melbourne have estimated that congestion at the moment costs the community of Melbourne around \$4 billion. Within 10 years that will double and the amount of road space that will be congested in the next 10 years will also double. The thing about congestion is that it happens relatively subtly, so it is very easy for politicians who do not want to do anything, politicians with no policies, politicians with no vision — like the opposition parties — to do nothing. It is very easy because one does not notice the effects of congestion over a month or two months, but it is noticeable over a number of years. What we know is that over the next 10 years, if we do nothing about congestion the cost to the community will double, the amount of road space that will be congested will double and it will be an enormous impost on our community.

We have to also think about the efficiencies at the moment. In central Melbourne we have a terrific radial public transport system. It is the only part of metropolitan Melbourne where the majority of trips are

actually done by public transport. It is the only part of Melbourne where we can easily see modal shift occur because the infrastructure is there. First of all we have the infrastructure to take more trips. From these pricing measures we can see an increase in public transport use. More important is an increase in other sustainable transport, particularly walking and cycling which are growing in popularity and are certainly taking up a bigger share, particularly in central Melbourne. Reducing congestion improves not just public transport, but sustainable transport.

Pricing and the car park levy are important messages to consumers. We have to remember that at the moment long-term car parking in Sydney, which already has a levy, costs an average of \$12 more than long-term car parking in Melbourne. With our levy we will still have cheaper car parking than Sydney. In Sydney and Perth we have seen a very successful use of the levy in not only reducing congestion but also ensuring that there are better public transport alternatives. It provides a funding stream for public transport. Adelaide and Brisbane are looking at the same thing at the moment. Throughout Australian cities these sorts of congestion pricing models are being used. Not only that, they are all underpinned by substantial plans to reduce congestion, as is Melbourne.

The metropolitan transport plan for Melbourne indicates there will be a 20 per cent modal shift in motorised trips towards public transport by 2020. That will be achieved in a number of ways, including improvements to public transport, land-use changes and the growth of activity centres. Some of it is about demand management, some of it is about behavioural change, but it is a very big package.

Price will assist the battle against congestion and maintain the livability of the city. It is part of a package. When the opposition speakers say it is not the solution, we all know it is not the solution; it is one element of a solution. It is common public policy now around the world. People have mentioned London, but it is not just London; it is Rome, New York, Singapore, Durham and even small towns. Trondheim is a town in Norway with a population of around 160 000. It has introduced a pricing regime to reduce public transport by 10 per cent. It uses road pricing and parking pricing to fundamentally shift the behaviour of its inhabitants. Walking and cycling were the big gains there and not public transport. There are a lot of models around and it is very good public policy, but also it is underpinned by a substantial amount of work and research. It is also underpinned by very good theory.

If we go back a bit and look at congestion pricing we find that the basic idea was developed by William Vickrey who is a Nobel Prize-winning economist. He came up with the term 'congestion pricing' and developed the idea that pricing messages are fundamental in the behaviour of consumers. It is a very important message to consumers. Congestion pricing is used very broadly. It can apply to a charge, fee or toll which is applied with the intent of reducing car trips or encouraging shorter parking stays. It is fundamentally centred on the idea of the peaks. Why is there public policy to tackle long-term parking? Because we are tackling those peaks. Short-term parking is not what is creating those peaks because it is distributed throughout the day. Short-term parking is not creating the congestion problem; it is the parking that applies at the peak, hence the public policy measure — the pricing measure.

The information we get from the Nobel Prize-winning economist is that we have to tackle the peak. The way we are tackling the peak is by tackling it through long-term parking. It is a legitimate form of congestion pricing.

As I said before, there are many models of congestion pricing. In London they apply a levy of £5 to whomever enters the central cordon. In Singapore variable pricing applies according to the congestion on the roads at the time. In cities like New York it applies to parking, as it will in Melbourne, as it does in Sydney and as it does in Perth. It is legitimate and good public policy. It is the sort of public policy that good public policy-makers and good governments are doing right throughout the world. Why are we doing it? Because we know the consequences of doing nothing. We know that if we follow the advice of the member for Box Hill and do nothing, in 10 years time we will have doubled the cost to the community, the number of congested roads in Melbourne will have doubled and we will have a much less livable city.

If the member for Box Hill wants to talk about the economic costs to the city of Melbourne, his is a fantastic way to destroy the livability and economic performance of the city. That is why as a government we have the support of the Committee for Melbourne and the Melbourne City Council. The Committee for Melbourne has done a considerable amount of work on the issue of pricing and its importance. It has argued for pricing mechanisms to apply in the city. We have a situation where we as a government are following good public policy. And not only are we following good public policy, we are ensuring that the issue of congestion is being investigated at various levels of government. We currently have the Victorian

Competition and Efficiency Commission undertaking an investigation into the cost of congestion in Victoria, and that report will say that governments have to act. It will say that public policy in Victoria has to be about reducing the cost of congestion. We cannot eliminate congestion, but we can reduce its impact, and that is the way to do it.

There is considerable evidence, both in Australia and overseas, including in North America and Europe, to show that parking pricing has been a very important mechanism in reducing central city congestion. It is important in Melbourne because the majority of trips to the centre of the city are currently done on public transport. We have a terrific radial public transport system with our trams and trains, and the system is able to handle more trips. That is the important part of our strategy — we want to see fewer cars and more trips by other means.

I strongly support this bill. It is terrific public policy and a clear indication that this government is moving ahead in trying to tackle the problems of congestion. The do-nothing strategy suggested by the member for Box Hill would bring economic disaster to the city of Melbourne and the state of Victoria.

Mr MULDER (Polwarth) — I join with my colleagues in the Liberal Party in opposing the Congestion Levy Bill. I will start by picking up a couple of points raised by members of the government, particularly the member for Burwood, who said that the tax is a deterrent. I put it to the member for Burwood that this is probably stage 1 of a decentralisation policy by the Treasurer to try to push businesses out of Melbourne, to deter people who want to work in the central business district (CBD) from doing so and to make them take other options, to damage the reputation of the city of Melbourne, to drive people away from our restaurants, and to stop them shopping in and generally supporting the CBD. That is what this is about.

We have had briefings on the issue of congestion from Melbourne City Council officers, and they point to the fact that one of the major problems is short trips — that is, delivery vans continuing to come in and out of the CBD and making short trips up and down the streets of Melbourne that get congested, including Bourke Street and Collins Street. The government is saying that hitting long-term car parks with a substantial tax and encouraging more people to come into the CBD for short trips is going to have an impact on congestion in the city, and yet all the evidence says that that is not right.

You only have to speak to people who know about it to find out that that is not right. Melbourne City Council has done a lot of work in this regard, and quite clearly this is nothing other than an absolute money grab. The member for Brunswick talked about what will happen if we do nothing. Heavens above! He should have a look at some of the reports that have come out in recent times and some of the information that has been leaked to the media in relation to the government's attempts to do something about public transport and our roads. Show me a major tunnel, a major bridge or a major road that has been instigated by the Labor Party in Victoria since 1999. There has not been one.

The latest report into public transport in Victoria said that the loop had hit its capacity in 2004. Why has the government not done anything about it? There has been no investment in public transport whatsoever. A flimsy report and a scoping study of a third rail line from Caulfield through to Dandenong is about all that has occurred in relation to the metropolitan transport system. The government has sat and done absolutely nothing except throw all its money at and put all its emphasis on those stupid four fast rail lines into regional Victoria, a supposedly \$80 million project which has now blown out to \$750 million and which will do absolutely nothing in relation to easing congestion or driving investment in the regional centres.

In particular this bill shows how ill-informed and poorly thought out the public transport spend by the government of the day has been. This is not a levy. It is a straight-out tax on business and on people who decide they want to work in the CBD. It is a tax, in relation to the issues raised by the member for Brighton, on women working in the CBD who may want to have their cars with them so they can duck away in an emergency to pick up a child or take someone to a doctor or whatever. They are the sorts of issues that are going to continue to crop up.

The bill is anti-Melbourne, anti-business and anti-working in Melbourne. It has all the hallmarks of a taxman, the Treasurer of Victoria, on the march, grabbing every dollar he possibly can in his wake. The bill is an octopus with tentacles reaching out into the CBD, Docklands, Southbank, East Melbourne, the St Kilda Road precinct and parts of North Melbourne.

I refer to the schedule. When the Treasurer sat down and worked out how he was going to apply the bill and what parts of Melbourne were going to get hit, what did he have in the back of his mind? To me it would have been something like, 'Who am I going to hit? Who am I going to target? Who am I going to bowl over? Who

can I kill with this bill?'. It is amazing. If you look at the schedule, you can see that the levy area looks like a handgun. All you have to do is add a trigger and a bit of smoke. That is the impact it is going to have.

Sitting suspended 1.00 p.m. until 2.02 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Racing and Gambling Acts (Amendment) Bill: royal assent

Mr DOYLE (Leader of the Opposition) — My question is to the Premier. I refer him to his ridiculous answer yesterday that royal assent for the Racing and Gambling Acts (Amendment) Bill had been delayed because of compliance and consultation issues, and I ask: why did the Premier act unconstitutionally in directing the Governor to withhold royal assent?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question, and I will answer it in two parts. Firstly, his claim of acting unconstitutionally is absolutely dead wrong. If he is making that claim, then he understands nothing about the constitution. He understands nothing about the practice of this place and how bills come into legislation.

Secondly, could I reiterate that there are compliance issues with Racing Victoria, with bookmakers and others, which have to be dealt with, and this bill will come into law in several weeks time after those matters have been resolved.

Water: supply

Ms D'AMBROSIO (Mill Park) — My question is to the Premier. I refer the Premier to the government's Our Water Our Future commitments — —

Dr Napthine interjected.

The SPEAKER — Order! I ask the member for South-West Coast to be quiet. If he wishes to ask a question, I will call him as the next opposition speaker.

Ms D'AMBROSIO — I refer the Premier to the government's Our Water Our Future commitments and ask: what progress has been made in securing water supplies so that all Victorians can benefit from a healthy environment and a sustainable future?

Mr BRACKS (Premier) — I thank the member for Mill Park for her question. Today is the 12-month

anniversary of the important Our Water Our Future policy released by the government. Together with the Minister for Water and Deputy Premier I am able to report today on the progress in the last 12 months of achieving our aims to have a more sustainable water supply for Victoria over the coming 40 or 50 years, making sure that we move on recycle, reuse and water conservation projects.

The outcomes have been nothing short of outstanding. If you look at Melburnians' water use, for example, you find that 22 per cent less water per capita has been used than was the case in the 1990s. This house should congratulate the people of Victoria and the people of Melbourne in this particular case. The 3.5 million people in Melbourne have done a great job in ensuring that we reduce water usage per capita. They are part of an effort to ensure that we have a sustainable water supply system for this state.

It is also important to note that we have issued something like 110 000 rebates for consumers purchasing water-efficient products. There has been an enormous take-up of those rebates. New water efficiency standards and labelling for water appliances have been introduced. In cooperation with the federal government we have obtained support for a deal to deliver some 169 billion litres of water to the Murray River. Of course, we were one of the major urgers of that deal with other states and territories. Alongside South Australia, there is no jurisdiction stronger in ensuring that more water is made available for the Murray River.

Environmental flows have been delivered to the Snowy and the Thomson rivers. We have met all the commitments we said we would undertake in relation to the Snowy River, and that is a great achievement. We should note that there is a difference in policy between this side and the other side of the house, whose members are not committed to that environmental flow for the Snowy River. If The Nationals ever happen to get into government in the future, they will take water out of the Snowy River. That will be one of the first things they do — they will take it out of the Snowy River straight off!

Mr Ryan interjected.

Mr BRACKS — You admit it!

The SPEAKER — Order! The Premier should address his remarks through the Chair.

Mr BRACKS — Alongside the federal government and local authorities we have also provided funding for the Wimmera–Mallee pipeline, the construction of

which has commenced. The Eildon Dam wall and spillway has been upgraded — a major project that was undertaken for the safety of our dams and reservoirs. Channel automation in the Goulburn and Gippsland region is under way. Lake Mokoan is being decommissioned, and that is going into environmental flows.

Mr Plowman interjected.

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

Mr BRACKS — Could I remind the house about the decommissioning of Lake Mokoan. This was a signed-off arrangement on the Living Murray initiative with the federal government. Understandably it is disagreed with by the other side; that is their view. I am sure they will again commission Lake Mokoan and take that water out of the Murray River if they ever get into government in the future.

We have provided legislation creating our first environmental water reserve. The top 200 commercial and industrial water users have committed to water audits, and more than 10 per cent of Melbourne's water is now provided through recycling. We are on our way to achieving our target of 20 per cent recycled water by 2010. All this has meant an investment in water infrastructure which is set to exceed \$2.2 billion over the next three years.

There has been enormous progress since we released the Our Water Our Future policy 12 months ago. This has been a concerted effort with the whole of Victoria. It has been very successful, and Victoria is certainly leading the nation on both water conservation, water resources in recycling and reuse, and making sure we have a sustainable future for many years to come.

Hazardous waste: Lyndhurst

Mr RYAN (Leader of The Nationals) — My question is to the Premier. I refer to a report in the *Sunraysia Daily* linking the state government's \$92.8 million investment in the Greater Dandenong development plan with the decision to speed up the relocation of the Lyndhurst landfill before the facility has reached its capacity. Will the Premier guarantee that his government will not close down the Lyndhurst facility before its current licence expires in 2012?

Mr BRACKS (Premier) — I thank the Leader of The Nationals for his question. I cannot comment in detail on an article in the *Sunraysia Daily*, but I can say that the decisions we have made on Dandenong are independent of every other process. They stand alone,

they are effective and they will drive that region effectively in the future.

Water: supply

Ms LINDELL (Carrum) — My question is to the Minister for Water. I refer to the government's strong record in achieving lasting water reforms, and I ask the minister to advise the house of challenges that need to be overcome to secure water supplies for the next 50 years.

Mr THWAITES (Minister for Water) — I thank the member for her question. Victoria faces major challenges in ensuring sustainable water supplies. Firstly, we face a challenge in terms of the environment in ensuring that our stressed rivers are healthy. Secondly, we face a challenge with our growing population. We know that more and more people want to move to Victoria, because it is a great place in which to live and raise a family, but that population growth will put pressure on our water supplies. The third and very significant challenge we face is climate change. The Commonwealth Scientific and Industrial Research Organisation has indicated that by 2020 we will have 8 per cent less water in Melbourne as a result of climate change, and by 2050 we will have 20 per cent less. If we do not act, we will face a substantial water deficit by 2050.

With the Tarago Reservoir being recommissioned, which I announced recently, we will have sufficient water for the next 15 years or so for Melbourne. However, we need to address these major challenges. Today the Premier and I released a range of options for Melbourne which would add up to some 500 billion litres of extra water for Melbourne. It is quite clear when you go through all those options that we have a secure water future for Melbourne and the rest of the state, provided we are smart in how we use that water. We will be releasing the discussion paper for public consultation.

Honourable members interjecting.

The SPEAKER — Order! The members for Nepean and Bass!

Mr THWAITES — There will be an opportunity for people to have their say. Even the member for Bass will have an opportunity to have his say, and I urge him to have it! I understand that the member for Bass wants us to stop the work on the Snowy. He can put that and see if it is supported by the rest of his party.

Mr Smith interjected.

Mr THWAITES — That is one thing that will never happen to you!

The SPEAKER — Order! Through the Chair!

Mr THWAITES — Under this options paper there are proposed water conservation measures that would total some 120 billion litres, and some major recycling opportunities are also set out. The most significant of the recycling opportunities is the eastern water recycling proposal. The preliminary work that we have had carried out indicates that that would be able to supply approximately 115 billion litres of water. That amount would be saved by reusing recycled water from the eastern treatment plant, sending it by pipe down to the Latrobe Valley and utilising it in industry and for the generators in the Latrobe Valley, thereby freeing up water from the rivers in Gippsland that could be used in Gippsland and also for Melbourne.

Mr Plowman interjected.

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

Mr THWAITES — That is one of the important options in the paper. There are other options as well. Desalination must be considered, because it enables us to get upwards of 100 billion litres of extra water, but there are major environmental and financial costs associated with that. There are also some other new ideas in there. One of them is to use stormwater — a very interesting idea — from the Yarra at Dights Falls. The idea is to treat that to a high level and potentially utilise that in our water system. That could provide around 30 billion litres of water a year — and good water too.

As the Premier has indicated, there has been huge progress in our water management in the last year. There have been major savings in water and major new initiatives. There is an opportunity for the public now to have its say. This is a public and open process. We call for all —

Mr Plowman — On a point of order, Speaker, the minister is required to be concise in his answer. Again, this is more like a ministerial statement, and I ask that he conclude his answer.

The SPEAKER — Order! The minister has been speaking for some time. I ask him to conclude.

Mr THWAITES — In conclusion, we on this side of the house believe in an open discussion on water issues, not a secret or a mystery plan as proposed by the

opposition. We look forward to full consultation and full public support for Our Water Our Future.

Yarra River: water quality

Mr HONEYWOOD (Warrandyte) — My question is to the Minister for Water and Minister for Environment. I refer to the minister's policy to use downstream Yarra River water for drinking. I ask: why does this policy not include any commitment to upgrade sewerage infrastructure so that 17 000 septic tank households will not continue to leak human effluent into the Yarra River, which is the same water the minister is asking Melburnians to drink? And here is an example of it — we call it E.coli!

Honourable members interjecting.

The SPEAKER — Order! I ask for the water to be removed from the chamber. I remind members, particularly the members for Richmond and Doncaster, that they are required to cease interjecting when the Speaker is on her feet. I also remind members that it is unparliamentary to provide exhibits in question time, which members on both sides have fallen into the habit of doing. I also advise the house — not today, because it would be unfair — that from here on in if members find it necessary to bring in such examples of their work, not only will the bottles be removed from the Parliament but the members will be removed also.

Mr THWAITES (Minister for Water) — I thank the Deputy Leader of the Opposition for his question. A key part of the proposal that was put forward on Dights Falls today was for there to be treatment of the pipe. As the Deputy Leader of the Opposition would no doubt be aware, when you treat something, it gets lighter and lighter — and we are seeing that. They do say — —

Honourable members interjecting.

The SPEAKER — Order! We might now return to question time and to the minister answering the question.

Mr THWAITES — They do say that imitation is the sincerest form of flattery, so I thank the deputy opposition leader for that. I should also add that under this government there has been upwards of \$140 million invested in improving the Yarra and the quality of its water. On top of that, recently I was able to announce that an additional \$300 million would be invested by Melbourne Water in upgrading the northern sewerage system, which is once again a major improvement in the system. We are seeing a considerable improvement in the Yarra. If you look back over the figures for the past 10 or 20 years you can

see that. But we know there is more to be done, which is why we are making the additional investments.

In relation to the particular proposal that was put forward, it is a sensible one to consider. It has to be assessed according to its cost and its environmental implications, but a key part of that is putting in another water treatment plant. That water treatment plant would take the water in a stormwater situation from Dights Falls, would treat it and then potentially would return it to Melbourne's reservoirs. That would contribute about 30 billion litres. However, I emphasise that there are some 500 billion litres — —

Mr Honeywood — On a point of order, Speaker, on the issue of relevance the question specifically related to septic tanks and 17 000 homes on the Yarra that are still on septic tanks. The minister is referring to other water initiatives. I ask you to bring him back to the issue of whether we are going to get the infrastructure.

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

Mr THWAITES — As I had indicated, we are boosting the sewerage system.

An honourable member — Who is?

Mr THWAITES — The government is, the water authorities and Yarra Valley Water are boosting the septic tank system as well. This is another initiative that is worthy of consideration, and we will do that.

Schools: broadband access

Mr HELPER (Ripon) — My question is to the Minister for Education Services. I refer the minister to the government's commitment to making regional Victoria a great place to raise a family and ask the minister to detail for the house how the government's broadband initiative will assist students in regional Victoria.

Ms ALLAN (Minister for Education Services) — I thank the member for Ripon for his question because it is going to be a very exciting time for students in schools across country Victoria and across the state as the Bracks government spends \$89 million rolling out the VicSmart broadband initiative to all government schools, giving every government school in every part of the state the latest access to broadband technology.

It does not matter which country town or regional city the school is in — it will be upgraded to a full megabit, high-speed fibre-optic broadband capacity. This unprecedented investment will remove for the first time

the digital divide between country and city schools. With this initiative Victoria is leading the nation. Our government schools will soon have the best broadband access of any Australian state and among the best in the world. This will have a profound impact on our schools in country Victoria. For many of these schools —

Dr Napthine interjected.

The SPEAKER — Order! The member for South-West Coast! When I call the member for South-West Coast, that is not an invitation for him to continue interjecting. I ask him to be quiet.

Ms ALLAN — It is a shame that the member for South-West Coast is not getting behind country schools with this initiative, because many country schools will have their Internet capacity improved by up to 60 times, helping them communicate with other schools across the state. They will be able to share the latest learning practices. I am sure this is something members opposite would like to tell their country schools — that they will share in the latest learning practices and the latest online learning tools.

We hear the member for Doncaster talking in this house about revolutions. We are witnessing a communications revolution in our schools. Tomorrow the Premier and I, with the member for Ripon, will have the opportunity to witness this technology first hand at Haddon Primary School on the outskirts of Ballarat. It will be great to see students using the technology and seeing the difference it makes in their learning. This is part of our efforts to get students access to the latest IT equipment technology. Each year we have invested more than \$100 million in technology in the classrooms — that is, six times the average of the previous government. We also want to maximise this investment with the broadband rollout. It will open up a whole new world of learning and practices to students.

It was the opposition that closed schools. We want not only to open schools but to open them up to the world of technology and to communicate with schools around the world. With our VicSmart initiative and the \$89 million we are investing we are ensuring that our schools remain world leaders in the use of technology.

Racing and Gambling Acts (Amendment) Bill: royal assent

Mr DOYLE (Leader of the Opposition) — My question is to the Premier. I refer the Premier to the racing minister's claim today that Racing Victoria requested the six-week delay for royal assent to the racing and gambling bill. Given that Racing Victoria

categorically denied this claim will the Premier confirm that the decision to delay the bill was at the request of, amongst others, the Tasmanian Labor Premier?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. Firstly, there was no request that I was aware of from the Tasmanian Premier on this matter. Secondly, Racing Victoria was one of many stakeholders requesting more time for compliance reasons, and we undertook to do that.

Honourable members interjecting.

Mr BRACKS — The answer to the question is that the racing minister is absolutely correct.

Rural and regional Victoria: small business

Mr LONEY (Lara) — My question is for the Minister for Small Business. Can the minister provide to the house details of what the government is doing to help small business in regional Victoria?

Mr HAERMEYER (Minister for Small Business) — I thank the member for Lara for his question. The Geelong region has a vibrant small business sector. It just shows how regional Victoria is a great place to start and run a business. That is underlined by the most recent figures which confirm the very strong growth in regional Victoria and an environment that is conducive to small business growth.

In August 2005 we had some 636 700 people employed in rural and regional Victoria. That is a 14 per cent increase over when this government came to office. In addition the population of regional Victoria has increased by 16 600 to over 1.3 million. Again, that is very significant growth, and we have seen a reversal of the trend in the late 1990s when people were voting with their feet and leaving rural Victoria in droves.

Mr Smith — How would you know?

Mr HAERMEYER — They were leaving under pressure of closure of railway lines and closure of rural services.

Mr Smith interjected.

The SPEAKER — Order! The member for Bass!

Mr HAERMEYER — Since February this year the Victorian government's workshop seminar Under New Management program has assisted over 800 small business owners or people intending to start small businesses in rural Victoria. Regional Victoria will also

be hosting the first Going into a Restaurant, Cafe or Bar Business — —

Honourable members interjecting.

The SPEAKER — Order! If the members for Bass and Mildura wish to have a conversation, I suggest they do so somewhere else.

Mr HAERMEYER — Regional Victoria will host the first Going into a Restaurant, Cafe or Bar Business workshop in November. It will be the first industry-specific workshop to benefit specifically small business in rural Victoria. Unfortunately, we have a lot of people who have experience — they might be good chefs or good at the technical aspect of running their business — but sometimes go into business without the necessary skills to make ends meet financially. This will be of great benefit to businesses in rural Victoria. We have also had — —

Honourable members interjecting.

The SPEAKER — Order! There is far too much interjection and far too high a level of conversation from opposition members. I ask them to be quiet to allow the minister to answer the question.

Mr HAERMEYER — We have run a variety of programs in rural Victoria, including the Women's Access to Finance program, which has assisted more than 200 participants in regional Victoria. The very successful small business commissioner, an initiative of this government, has also been very active in rural Victoria, where disputes valued at more than \$80 million have now been handled, resulting in savings to lots of Victorian small businesses and savings of millions of dollars of what otherwise would have been litigation fees.

We will not stop there. Later this year the government will hand down a small business statement which will further assist small business in rural Victoria. In that process I have been looking around for any sort of ideas that will be — —

Honourable members interjecting.

The SPEAKER — Order! I ask members to behave in a parliamentary manner and not be so ill-mannered.

Mr HAERMEYER — They think small business is boring. I have been looking around for any sort of initiatives that might be of assistance to small business in rural Victoria. For some reason — I really do not know why — I looked up the Liberal Party web site

and I found one policy — and that was to close down the Victorian Competition and Efficiency Commission.

Mr Plowman — On a point of order, Speaker, the minister must relate his answer to government business and on this occasion he is not. I ask you to bring him back to government business.

The SPEAKER — Order! I uphold the point of order. I ask the minister to return to responding to the question, relating it to Victorian government business.

Mr HAERMEYER — As I say, relating to the small business statement we are handing down later this year, I was looking for some ideas. I should not have looked at the Liberal Party web site. I suppose that is what happens when you have a part-time spokesperson whose real job is editing *Inside Retailing*.

Honourable members interjecting.

Mr HAERMEYER — This government has done a lot to assist small business in regional Victoria. Certainly people are voting with their feet by moving to regional Victoria in droves and starting up businesses in regional Victoria as well. In the process, may I also ask the Leader of the Opposition if I can have his autograph. I promise the pen will not explode.

The SPEAKER — Order! That will do!

Royal Automobile Club of Victoria: elections

Mr MULDER (Polwarth) — My question is to the Premier. I refer the Premier to ALP member and former Royal Automobile Club of Victoria director Ange Kenos's email to ALP members of Parliament urging them to gather all possible votes to unseat the current RACV board and I ask: does the Premier agree with Mr Kenos — —

Honourable members interjecting.

The SPEAKER — Order! I ask the house to be quiet to allow the member to complete his question.

Mr MULDER — I ask: does the Premier agree with Mr Kenos that the RACV board are 'Liberal sucking clowns' who should be campaigned against by Labor MPs and their offices?

Honourable members interjecting.

The SPEAKER — Order! I am having some trouble relating the member for Polwarth's question to Victorian state government business. It seems to me that he is raising a matter that deals with the Australian Labor Party, not the Victorian government. Is the

member for Polwarth able to explain to me how that relates to Victorian government business?

Mr MULDER — On a point of order, Speaker, this is about a request from a member of the public to members of Parliament to use their resources and the resources of their offices to actively campaign against the RACV board. It is a request to use state government resources to campaign against the RACV board.

The SPEAKER — Order! Many members of the public write to many members of this Parliament to ask them to do things. It has nothing necessarily to do with Victorian government business. I rule the question out of order.

Honourable members interjecting.

The SPEAKER — Order! The member for Doncaster will not make those reflections on the Chair. I ask him to be quiet or I shall remove him from the house.

Rural and regional Victoria: government initiatives

Mr MAXFIELD (Narracan) — My question is to the Minister for State and Regional Development. I refer the minister to the government's commitment to making regional Victoria a great place to live, work and raise a family and ask the minister to update the house on recent successes that demonstrate the government is delivering on its commitment.

Mr Honeywood — On a point of order, Speaker, the question just asked is extraordinarily broad. I ask you to look to your previous rulings about questions that invite a minister to canvass a picture across the whole of Victoria on any policy issue whatsoever.

The SPEAKER — Order! In relation to the point of order, there is a valid point in what the Deputy Leader of the Opposition raises. In responding the minister must relate his answer to matters that have occurred recently, that are of currency with the Victorian government.

Mr BRUMBY (Minister for State and Regional Development) — I will certainly relate my answer to recent successes. I think that is in fact why the member for Narracan asked this question — because he is aware of a recent success.

Mr Ryan interjected.

Mr BRUMBY — Yes, I believe he is.

The SPEAKER — Order! Without the assistance of the Leader of The Nationals.

Mr BRUMBY — I have previously described the member for Narracan as really the architect, if you like, of the dairy stock underpasses and overpasses program that the Bracks government has introduced. Back when we were in opposition the member for Narracan came up with the idea that we should support dairy farmers wanting to build overpasses and underpasses. We funded them in our first term in government through our Regional Infrastructure Development Fund.

I am guessing that the member has asked this question today because today we celebrate the construction of the 300th stock underpass that has been funded. We have now funded 124 of those in south-west Victoria and 137 dairy underpasses or overpasses in Gippsland. This is a program in which we enjoy a partnership with the — —

Honourable members interjecting.

The SPEAKER — Order! The level of conversation is too high. I ask members to be quiet.

Mr BRUMBY — We enjoy a partnership with the Victorian Farmers Federation. There is a bit of policy development going on over there. I can hear them. Did you hear that? Moo!

Honourable members interjecting.

Mr BRUMBY — Of farmers interviewed, more than 70 per cent believed that an underpass made their operation more profitable, 85 per cent agreed that the underpass or overpass made their farm more viable for dairying, and every single farmer surveyed agreed that the underpass had made their herd easier to manage.

Mr Ryan interjected.

Mr BRUMBY — Sorry?

The SPEAKER — Order! Through the Chair.

Mr BRUMBY — There have been a couple of other recent milestones. Wine exports — —

Mr Ryan interjected.

Mr BRUMBY — I will respond to that, because — —

The SPEAKER — Order! The minister, through the Chair, without interjections from the Leader of The Nationals.

Mr BRUMBY — Recently released figures for wine exports from Victoria — —

Mr Honeywood interjected.

Mr BRUMBY — You need to lighten up a bit, seriously. Wine exports are up by 22 per cent to \$532 million, and building approvals in the last year exceeded \$3.88 billion. For the benefit of the house, in Gippsland building approvals from June 1999 to June 2005 were up from \$261 million to \$736 million. If ever you want to know about the renaissance of a region in recent years, look at Gippsland. The other statistic is that as of last week the government had helped facilitate 305 projects in regional Victoria worth more than \$5 billion.

I am afraid to say that there is one investment we have not been able to facilitate — that is, the much-promised new Liberal Party office in Geelong. It was promised back — —

Honourable members interjecting.

Mr BRUMBY — I went searching for this investment — —

Honourable members interjecting.

The SPEAKER — Order! I ask the minister to address the question and not debate opposition matters.

Mr BRUMBY — Thank you, Speaker. I found the *Geelong Advertiser* of — —

Honourable members — Sit down!

The SPEAKER — Order! I think they were talking to you, not me!

Mr BRUMBY — You sat down.

Honourable members interjecting.

Mr BRUMBY — Do you want me to sit down?

The SPEAKER — Order! No, I do not want you to sit down; I want you to answer the question.

Mr BRUMBY — I am just about to finish answering it. In the *Geelong Advertiser*, under the heading 'Libs want crackdown on bad thoughts' — —

Honourable members interjecting.

Mr Plowman interjected.

Questions interrupted.

SUSPENSION OF MEMBER

The SPEAKER — Order! I have warned the member for Benambra on a number of occasions. He has chosen to ignore those warnings, and I ask him to leave the chamber.

Honourable member for Benambra withdrew from chamber.

Questions resumed.

The SPEAKER — Order! The Minister for State and Regional Development will answer the question or I will sit him down.

The minister has concluded, as has question time.

CONGESTION LEVY BILL

Second reading

Debate resumed.

Mr MULDER (Polwarth) — Before the break I was referring to the levy area in the schedule attached to the Congestion Levy Bill. I pointed to the fact — and I am not sure whether it was the Treasurer's subconscious at work — that when you hold it up and look at it you can see that with only a few small modifications it would look very much like a smoking gun. That being the case, I suggest it is only a matter of time before the boundaries detailed in the schedule — —

Honourable members interjecting.

The SPEAKER — Order! The level of audible conversation is too high. I ask members to be quiet so the member for Polwarth can be heard.

Mr MULDER — It is only a matter of time before the actual boundaries as detailed in the schedule start to spread like wildfire. As the Treasurer sees the red line coming towards him in his budget, it will simply be a matter of moving the boundaries out. There is no doubt that within the not-too-distant future we will start to see amendments to the Congestion Levy Bill as those boundaries are moved and make their way further out into regional Victoria.

How far will he go? You only have to look at the Treasurer's own announcement on 14 September 2005 of an inquiry, via the Victorian Competition and Efficiency Commission, into managing transport congestion here in Victoria. It is interesting to note that the Treasurer has singled out not just the metropolitan area but also the regional cities of Ballarat, Bendigo and

Geelong for special attention in this investigation. Talk about telegraphing your punch — congestion taxes in Ballarat, Bendigo and Geelong! Certainly it is hard to imagine that we will see the details of any results or recommendations that come from this investigation prior to the next state election.

I refer to the Victorian Competition and Efficiency Commission's document, which I pulled from its web site:

On 14 September 2005 the Victorian Treasurer, John Brumby, announced that the VCEC will undertake an inquiry into managing transport congestion.

The inquiry will examine and report on the nature and incidence of transport congestion in Melbourne and major regional cities, the impact on businesses in Victoria, any regulatory barriers to tackling transport congestion and the potential application of approaches used in other major international cities.

The commission has been asked to advise the Victorian government of a range of policy options to tackle transport congestion in Melbourne and ... regional cities.

There is only one thing you can say about this particular document — it talks about the Treasurer's congestion tax as the only approach used in Melbourne —

Honourable members interjecting.

The SPEAKER — Order! Would the members for Derrimut, Brunswick, Richmond and Burwood be quiet and allow the member for Polwarth to be heard.

Mr MULDER — The real question really is: when will Ballarat, Bendigo and Geelong get their very own congestion tax as a result of the actions of the heavy-taxing Treasurer? This currently applies to off-street, long-stay, non-residential parking spaces, with limited exceptions. The levy will be \$400 in 2006, \$800 in 2007 and then indexed to the consumer price index (CPI) from 2008 — as indeed are all Victorian government fees and charges as a result of the Treasurer's own monetary bill. As the framework is now in place, the question remains: when will a further amendment to the congestion levy legislation hit the Parliament? And next time will it be for residential parking in Melbourne and in the major regional centres throughout the state? Perhaps the Treasurer will come up with a sweetener, offering something of a discount to people who decide to live in Melbourne or our major regional cities. Perhaps it will be \$200 for the first year, \$400 for the next year and then indexed to the CPI. That is what you can pretty much expect to get from the Bracks Labor government.

The tax has been attacked by commentators and affected businesses and organisations throughout Victoria. It will have little if any effect on reducing congestion. It is a new tax on motorists, and it will deter the construction of new car parks — and as I have said, the government may extend it to metropolitan district centres. I have no doubt that when you look at the report the Treasurer is currently working on via the Victorian Competition and Efficiency Commission you will see that it will be extended to regional centres, it will add to the cost of doing business in the central business district and surrounding areas, and it will undermine Melbourne's cost competitiveness compared with that of Sydney. On that note I oppose the bill.

Mr LONEY (Lara) — I wish to make a few brief comments on this bill, which introduces for the first time in this state a congestion levy, being a new levy payable on long-stay inner city car parking spaces. Behind it is an intention to reduce traffic congestion, particularly in peak hours in inner city areas, by encouraging movement through car parks.

It is a significant bill. This issue of congestion has been taken up elsewhere around the world in recent times. Congestion has become one of the great threats to major cities globally, and it is a threat in a number of ways. Of course it is a threat to the livability of cities. To see that we only have to look at some cities which are extremely congested. The one that leaps to mind all the time is Los Angeles, of course, but there are many other cities around the world which suffer downgraded livability because of congestion.

Congestion is also a major threat to cities because of health factors associated with the amount of concentrated exhaust emissions et cetera coming from cars and their effect on health. The slowing down of traffic and cutting back of movement through a city can have an economic effect on trade and industry for the particular city. A number of threats can result from not dealing with congestion, and that is why this bill is of significance and does need to be dealt with.

An issue was raised before about the congestion spreading to other places and provincial cities were mentioned. I would like to pick up that issue briefly. This bill provides a signal to provincial cities and elsewhere to start thinking about the issue of congestion now, and to start putting in place plans that deal with congestion so they do not get to this point. You have to plan so that your cities and urban areas do not become congested in the way that the Melbourne central business district is threatened at the moment.

At the moment my home town of Geelong is facing a congestion issue. Unfortunately, a large part of that congestion arises purely because of the policies of the local council. That council has made an enormous contribution to central business district congestion in Geelong by its own traffic policies and by so-called beautification projects that have taken place there.

An honourable member — It is because everyone driving around is in the Liberal Party.

Mr LONEY — That is right. The local council has taken what were once magnificent wide boulevards and inner city streets in Geelong and turned them into narrow roadways, which are friendly neither to cars nor to pedestrians, and created traffic chaos in the area. I would challenge anyone to drive up Moorabool Street on a Friday afternoon and travel the two blocks between Brougham Street and Ryrie Street in less than 15 minutes. It is chaos in Geelong, and it comes from the absurd policies pursued by a lack-of-vision city. These things have to be addressed.

Mr Stensholt interjected.

Mr LONEY — As the member for Burwood said, even going as slow as the traffic in Geelong is going these days, it is still impossible to see any sign of the much-promised Liberal Party office in Geelong. No matter how much you slow down, it is still invisible. The issue here is that the provincial cities the member for Polwarth was talking about actually have the opportunity to address these things.

Honourable members interjecting.

The SPEAKER — Order! We will allow the member for Lara to have the floor at the moment. Other members can speak later.

Mr LONEY — The issue that the member for Polwarth wanted to wax on about can be addressed in one word: planning. Provincial cities should be putting something in place now to deal with these issues before they arise so that they do not have to worry. I suspect that, rather than that and rather than the member for Polwarth's scenario, the more likely scenario is that some of these lack-of-vision councils will be rushing to the government saying, 'We want to be able to charge that levy too', rather than actually addressing planning policies.

Honourable members interjecting.

Mr LONEY — I am sure the Liberal mayor of Geelong will be up here; I am sure he will.

Mr Mulder interjected.

Mr LONEY — That is the issue. Good planning policies must be pursued and traffic management issues addressed properly and sensibly. In Geelong we should start to deal with the east-west traffic issue rather than the north-south issue, which our councillors seem to concentrate on. They should start looking at things. I thank the Minister for Transport for recently confirming a feasibility study on the construction of a new breakwater bridge, which is a very important project in Geelong and which will aid in the reduction of congestion in the central area when it comes into being.

Unfortunately people are out there pursuing the opposite policies with the aid of the member for Hawthorn, the member for Polwarth and others who do not understand the traffic issues in Geelong. This is the issue: congestion can be avoided but you have to plan for it. That is the message that must come through. Provincial cities like Geelong need to put on their thinking caps and start thinking so that their cities can be free of congestion, with good traffic management policies so they are able to deal differently with these things.

Mr HONEYWOOD (Warrandyte) — It sometimes pays to do comparative analyses when copycat legislation is brought into this Parliament, and such is the case here. However, in typical Victorian Labor government style we have a new tax dressed up as a levy. The environmental levy is a classic example, where a typical Victorian family is now paying \$60 extra a year for what is called an environmental levy, but which is just another water tax. The moneys from that levy are not necessarily being spent on water initiatives. Instead they are funding certain pet projects of the government. Moneys that would normally have gone to the annual budget appropriation for the Department of Sustainability and Environment have been taken off for other departments in order to prop up DSE's annual budget with this new environmental levy.

Now I come to the proposed traffic congestion levy. Let us look at the example of New South Wales. When it was introduced, the New South Wales government did not increase the initial levy cost from \$200 between the years 1992 and 1996, and consumer price index (CPI) adjustments were not made to levies until 2003, some 10 years after the enactment of that levy. Yet what is this government doing? It is taking \$400 off the top straightaway and will double it in 12 months to \$800. Then with its usual lack of management expertise there will be automatic CPI adjustments every year thereafter.

At least the previous Liberal government, which managed the economy properly, recognised the fact that state governments should be about the high-water mark in good management. That is surely not just about putting on a CPI adjustment year-in, year-out, because that disguises bad management. Good management by government should be about only increasing taxes when you have to rather than doing it because it is a matter of course and because you want to line the coffers in areas where you have blown your budget elsewhere.

Section 14 of the New South Wales Parking Space Levy Act 1992, which concerns statutory trusts, clearly indicates that all revenue collected from that imposed levy must be used to facilitate access to public transport services to and from the city of Sydney. In contrast our bill does not legislate where the revenue must be spent, but, as usual and as indicated in the second-reading speech, all money raised will be used for so-called metropolitan transport initiatives. It is just another invitation to a minister who has blown their budget to play more smoke-and-mirrors financial tricks.

I commend to the house a report conducted by Access Economics in July this year. It was commissioned by the Property Council of Australia.

Mr Stensholt interjected.

Mr HONEYWOOD — I take up the interjection of the member for Burwood that it is not a very good report. That is because it does not give the government the answer the government wants. This government usually pays so-called experts to give it the answers it wants, and when an independent body such as the property council does the right thing on behalf of its constituents and pays for a truly objective report, it is generally slammed by the government as a matter of course.

This report by Access Economics contains an overview of the levy proposal. It states that the levy:

... appears more likely to be focused on raising revenue through the imposition of a new, selective business tax rather than reducing congestion costs.

The same report also says of the levy that:

Using it to increase the supply of short stay off-street parking directly undermines its role in reducing traffic congestion and associated costs ...

The levy is therefore largely based on the very weak link between congestion and some car park spaces only.

Unlike cities such as London, where some progress has occurred — and I know about it, having been there several years ago: its data shows less traffic is coming into the central business district of London — the Victorian levy does not apply to through traffic. The congestion levy works in London because any car that goes into the central business district is automatically charged.

The levy provided for in the bill now before Parliament does not apply to through traffic; it only applies to certain car park spaces. This is a real concern, because in not applying to short-stay car parks it provides an incentive for more cars to come into the city and stay at short-stay car parks. In other words, while congestion varies in proportion to the volume of traffic, type of vehicle and timing of travel the levy imposes costs on a small subset of building owners and workers in our central business district (CBD) relating to their use of a particular type of car park only.

The Access Economics report also states that the levy is unlikely to have any effect on traffic congestion in our CBD as it does not vary in proportion to the amount of congestion caused. The selective nature of the levy means it will not apply to others who create congestion, pollution and greenhouse gases. Similarly the proposed levy will not affect the time of travel, as it is an annual flat rate and does not vary according to time spent on the road or whether car use is at peak or non-peak times.

According to the report, the Sydney experience has demonstrated there is no empirical evidence that the car park levy has been successful in reducing traffic congestion. A commonwealth government report conducted by the Department of the Environment, Sport and Territories called *More With Less — Initiatives to Promote Sustainable Consumption* discussed the Sydney experience and concluded that:

Car park operators appear to have passed on their increased cost through increases on short-term parking, rather than on leases and the all-day parking used by commuters. The levy does not, therefore, appear to have achieved the objective of reducing car-based commuting ...

I will quote from a third report, a 2004 New South Wales parliamentary library research service report on current issues in transport policy:

In Sydney, vehicle kilometres travelled per capita has increased substantially in the period 1991–2002. In 2002, 70 per cent of trips were made in the car, either as driver or passenger. For public transport the share of trips made by train has remained relatively constant since 1991, whilst bus and walking have significantly declined ...

It had declined, not increased since the New South Wales levy — which is almost exactly the same as this one — came in. If the levy had discouraged people from travelling to the city by car, you would expect that share of travel by train, bus and foot to increase, not to remain steady or decline. The same report estimates that congestion will continue to rise in Sydney, notwithstanding the levy.

The Access Economics report also questions the value of the parking levy to reduce congestion in Perth. The report states that in Perth's CBD:

The availability and turnover of public short-stay spaces has increased for shoppers and business visitors ...

This increases congestion, because it encourages a greater turnover of cars using the one space. The final remarks of the Access Economics report are:

The proposed (car park) levy rates poorly against best-practice policy instrument design ... it should not be implemented.

The final point I want to make relates to higher education, which I know you, Speaker, are passionate about, as am I. This levy will be a major impost at the worst possible time for our city-based university campuses. Be it the Victoria University city campus — the wonderful campus on Flinders Street, which I am sure you have been to, Speaker — the Monash University city campus or the RMIT city campus, all are currently providing subsidised car parking for students. In many cases these students come from electorates like mine, where there is no viable public transport. We do not have trams or fixed rail to Warrandyte, and there are no viable public transport options for students or teachers of these universities to come into the city.

In many cases students from my electorate adopt car-pooling practices. They share the cost of car parking, which is subsidised by Victoria University and RMIT in the case of students from these universities. This is the contract with the Wilson Parking in one case and Kings Parking in another. I have it on good authority from the universities which I have contacted personally that they will have no choice but to pass on this levy — which will go up to \$800 per space in 12 months time — to the users. In other words, the subcontractors, Kings Parking and Wilson Parking, have indicated that they will be passing the costs on to students.

At a time when the Labor government is preaching the gospel on voluntary student unionism, I would have thought it would be trying not to put more imposts directly onto students who have no public transport

options and who do it hard anyway, having to car pool in many cases. Putting another secret tax onto people who find it the most difficult to survive in our economy is a shoddy piece of work by a government that is doing anything it can to raise taxes, whether through the environmental levies, which are really smoke and mirrors, the new water tax or this congestion levy, which is just another form of taxation that this government is hooked on.

Mr WYNNE (Richmond) — I rise to support the Congestion Levy Bill. There are compelling reasons to support this bill, because it goes a long way towards sending an important signal to the community and in a very practical way seeks to address the question of traffic congestion, particularly in the central business district (CBD).

As already outlined in the second-reading speech, the cost to Melbourne of inner city congestion is very significant, having been estimated to be in the vicinity of \$4 billion every year. To put that into perspective, the cost of congestion to Victoria is equal to the estimated national cost of the current drought. Whilst the drought may break, the annual cost of congestion will get worse if nothing is done. We have seen reports and forecasts from various people and groups, including the Committee for Melbourne, that the cost of congestion could double to \$8 billion by 2015. Studies have shown that the burden of traffic congestion falls heaviest, obviously, on the inner and middle suburbs, and my electorate contains numerous examples to support this finding.

In my inaugural speech to this house I indicated the very serious health consequences faced by residents in my area. Many of those health consequences are of course related to lifestyle, but there is no doubt that the ambient effects of pollution and traffic also play a significant role.

We have to look at and understand the congestion tax levy in the context of the broader initiatives that the government is undertaking. For instance, we have added to the stock of park-and-ride facilities throughout the Melbourne metropolitan area, and we have introduced the tram priority program, which I regard as a very effective measure. An extensive modernisation of our rail network is under way, with new and refurbished trains and stations, and we have introduced new transit lanes which have certainly, in my area at least, proved to be very effective in moving people. There is also the SmartBus program, which is an extraordinary success story. The evidence that has come to light on the increased patronage of the smart buses is really quite outstanding.

Of course no single initiative will fix the problem of traffic congestion — there is no magic bullet — but the government continues to seek expert guidance in assessing the impact of its initiatives. As has been indicated, the Treasurer has referred the matter of traffic congestion to the Victorian Competition and Efficiency Commission (VCEC). We very much look forward to its report and the outcomes of its deliberations. In the meantime it is appropriate for the government to implement more commonsense policies to reduce traffic congestion.

One critical matter relating to traffic congestion is the price signals associated with long-term car parking in the CBD. Melbourne's long-term parking charges, relative to other capital cities, are quite low. In Melbourne you will pay less than \$12 for an all-day car park, whereas in Sydney you can pay up to \$23.

Mr Stensholt interjected.

Mr WYNNE — My colleague the member for Burwood indicates that his own experience is that you can pay up to \$48 per day.

This fee structure has the perverse effect of encouraging peak hour commuters to obtain what have been badged as 'early bird specials'. Motorists are actually encouraged to travel into the city at peak times. Plainly we should not allow the parking fee structure to undermine our good work on traffic management. I submit to the house that the congestion levy is a step forward in dealing with that problem.

As indicated, the amount of the levy will be set initially at \$400 per year, rising to \$800 in 2007. Thereafter it will be adjusted according to the consumer price index (CPI). Based on normal usage patterns the average cost increase will be about \$3 per day. Overall parking charges will clearly be substantially less than they are in Sydney, but public transport, of course, remains a very attractive and viable alternative.

The implementation of the scheme is quite important, because the government is seeking to take steps to ensure that the congestion charge has a minimal administrative impact on car park operators. The operation of the levy is restricted to the CBD and a sliver of my electorate, essentially that part running down Victoria Parade. Even within these areas there are a number of exemptions. For instance, obviously the levy will not apply to disabled car parks, resident car parking, car parks operated by not-for-profit organisations and parks reserved for shift workers, universities and public hospitals. The levy will only apply to other car parks that are available to an owner

on an ongoing basis or to spaces that are used for more than 4 hours on weekdays at peak times.

The important aspect of this initiative is the hypothecation. Five million dollars of the levy will be annually hypothecated to the City of Melbourne for public transport initiatives, specifically around the CBD and the inner fringe. The rest of the revenue raised from the levy will go specifically towards public transport initiatives.

From my perspective and from the perspective of the residents in my area, this legislation is very welcome. We believe that a lot of significant work can be undertaken particularly around areas such as the city of Yarra, city of Port Phillip and the city of Moonee Valley — those fringe areas of the central business district which absorb an enormous impact from traffic commuting into the city. We believe some real, tangible gains can be made from the introduction of this levy, particularly in the public transport area.

I think this is a tremendous step forward. It is a very important signal by the government that we are prepared to put in place very practical schemes to send the message that congestion is a very serious issue for major central business districts such as Melbourne. We are prepared to send a price signal to commuters about driving into the city — that there are viable alternatives, particularly public transport alternatives, available and that all the income from this levy will be strictly hypothecated back to public transport initiatives. This is a great initiative and a major step forward. I commend the bill to the house.

Mr BAILLIEU (Hawthorn) — The reality is that the Congestion Levy Bill is a tax, nothing more. It is a tax dressed up under the guise of all sorts of noble causes, but I do not have any faith that those noble causes are what the government is pursuing. The Liberal Party is opposed to the levy, certainly not because I or other opposition members fancy traffic congestion. We are as opposed to that congestion as anybody, but government MPs have lost touch with reality on this issue. They have been sold a pup by their leadership, and they should think again.

The classic position here is that the research would ordinarily come first and then the legislation second, but in this case the legislation has been introduced, with the research to follow. No consultation was entered into; the legislation was dropped on the community without any adequate research. There is still no consultation going on, and now the Victorian Competition and Efficiency Commission is to undertake its program of investigation which, from

memory, is not scheduled to be in a final report until September next year. I am cynical to the point where I note that this so-called congestion levy, which I would rather describe as a car-park tax, coincides with concessions reluctantly made on land tax. I think this is more about a tax take than about anything else.

I refer to a report from Murray F. Young and Associates, which was commissioned by the Melbourne City Council. It concludes:

The levy should generate more revenue to government than is currently being forecast.

I think that says it all.

The second point I want to take up is the fact that this is supposedly about traffic congestion. The assumption is that the government is opposed to such congestion. There is plenty of evidence to suggest that the government is quite content with congestion and in fact has been acting to aggravate congestion. That is a curious way to proceed and many residents of Melbourne are now identifying this as a strategy of the government. Melbourne 2030 acts under its activity centre definition and its arbitrary activity centre definition to increase congestion in those areas.

In addition, the intensive development provisions of Melbourne 2030 act to do that as well. The fact that there is no employment strategy in Melbourne 2030 again, unlike the mooted metropolitan strategy in New South Wales, acts to increase congestion as well. The failure to invest in public transport, which has been widely commented upon, again adds to congestion as does the super-stops program and the Trams 109 program with the diversions caused. Just last week we were told by a regular consultant to the government in Boroondara that that program is to be wheeled out on all tram routes and the congestion that will cause on side streets will be extraordinary. One only has to look at the Burnley Gardens proposal and the Kew Residential Services proposal to see what additional congestion is going to arrive because of that. There is plenty of evidence that congestion is in fact the aim of this government in that regard.

I particularly want to refer to the government's 2020 strategy. Either the member for Burwood or another government member referred to the 2020 strategy and noted proudly that there had been an increase in public transport use in the last 12 months. The reality is that any increase in public transport use in recent months has been caused by petrol pricing, not by anything else.

I want to refer to the policy of 2020 supposedly shifting public transport use to 20 per cent of total vehicle trips by the year 2020. In the celebrated Mitcham Towers case, Justice Stuart Morris, Victorian Civil and Administrative Tribunal president; Mr Ian Marsden, senior member, and Mr Michael Read, member, concluded in their judgment — which has now been endorsed by the Chief Justice of the Supreme Court and another two judges, in regard to 2020:

We doubt whether this target should be taken literally. To achieve the target it would be necessary to invest huge sums in public transport infrastructure, with no certainty of achieving a substantial shift in travel behaviour. In any event, the key economic and environmental objective is to slow the increase in the number of trips taken as a car driver, not increase public transport trips as such. Although increasing public transport trips contributes to this objective, so too does increasing trips made as car passengers, by foot or by bike. An increase in non-motorised modes may in fact provide greater opportunities for achieving a reduction in car trips than increasing the proportion of trips by public transport.

The assumption in the community has been that 2020 means we will have increased use of public transport. I think four judges of the Supreme Court have now basically endorsed the proposition that we are not going to have an increase in public transport use to achieve the 20 per cent target, but we are going to have a decrease in the use of cars. That is not a proposition with which the Melbourne community is in the least bit familiar, but they are slowly understanding that that is the case.

To think that we would reduce car use by clogging our streets, which seems to be the operational aim of Melbourne 2030, is in my view a flawed strategy. Melbourne 2030 also makes glorious assumptions about building activity centres with reduced car parking requirements. It is one thing to conclude that somebody who does not have a car is likely to use public transport — I think that is a reasonable proposition — but it is another thing altogether to conclude that someone who is using public transport will not have a car, because the reality is that we are a car culture, and cars are here to stay. Whilst the fuels which drive our cars may change in time, the reality is that we have a car culture, and the proposition that we clog our streets with increased traffic and build intensively without car parking misunderstands the culture of Melbourne, and I think we are heading for a problem there.

I was interested in the comments of the member for Brunswick, who is the Parliamentary Secretary for Infrastructure. He focused on the application of this car park tax to peak hours. When it comes to peak hours, congestion is not just a function of the central business district (CBD), it is a function of all activity centres. We

can only assume that this car park tax, because essentially this is an anti-car tax, will be rolled out across all activity centres. It is curious that we should be undertaking all these activities at the same time as the government is subsidising the manufacture of vehicles. It is really a very disjointed approach to personal transport.

When it comes to peak hours the government is really saying that it is okay to use your car, but not in the peak period. The reality is that the government is actually wedded to congestion. It is said that the purpose of this tax is to reduce congestion. Let me refer again to the Melbourne City Council report, because the reality is this tax will do nothing to reduce congestion. Again the M. F. Young report concludes:

There is unlikely to be a significant change in the level of traffic congestion in the CBD as a result of a levy.

This is a tax, and it is a tax on small business. Let me quote from two small business people who have written to me:

For my little business that is just a quick \$4000 straight into Bracks' back pocket or \$16 000 for the life of a Parliament. (Just how broke is this government anyway?). At \$800 per annum that is not a bad starting price for a vote.

The other said:

I write to express our company's extreme disappointment in the Bracks government's proposed \$800 impost on parking spaces in the St Kilda Road precinct, which is just another hidden cost of doing business in Victoria. We ask you to seriously reconsider this tax.

I conclude by noting the article by David Broadbent in the *Sunday Age* of 7 August:

There is widespread confusion about its impact on shift workers, who arguably need secure long-term parking and can hardly be accused of adding to city congestion.

He referred to the Access Economics report, which other members have also referred to, and went on to say:

What we have learnt, though, is the government's real view of consultants.

On Wednesday —

the Deputy Premier —

... said that because the property council had paid Access Economics, it got the report it wanted.

It was an interesting line given that Access Economics has officially costed most of the government's election promises.

This is a tax: nothing more, nothing less.

Ms LOBATO (Gembrook) — I am pleased to speak in support of the Congestion Levy Bill. To acknowledge the fact that we have a severe congestion problem in the Melbourne central business district and the inner city area is to face reality. There is no doubt that there is a congestion issue and that something needs to be done. I heard the member for Hawthorn talking about 'the tax'. That is the Liberal Party line — 'the tax'. If you introduce — —

Mr Perton — What is it then? Is it a tax?

Ms LOBATO — If you introduce a disincentive to use a motor vehicle — —

Mr Perton — Ah, a disincentive — the George Orwell school of English.

The SPEAKER — Order! The member for Doncaster will have the call later.

Ms LOBATO — When you have a public transport system that you can use, that is a tax according to the standard line from members of the Liberal Party, both state and federal, who say, 'If there is an environmental issue, bury your head in the sand. Do not accept it. Do not acknowledge it. Do not do anything about it. Hopefully one day we will all be dead and the next generation will suffer the consequences of our inaction!'.

This bill has been introduced to reduce the level of traffic congestion by acknowledging the rate at which it is increasing. This government recognises that the detrimental effects on people of living and working around Melbourne derive very much from the congestion levels around the city, and the effects are health-related in terms of various bronchial and other ailments. There are also huge environmental and economic costs that cannot be overlooked, and there is a huge cost to business. A Committee for Melbourne report shows that congestion costs the city around \$4 billion each year, which is expected to rise to \$8 billion per year. Why should we ignore that? We have health and environmental effects and the economic cost to our state, yet the opposition calls this a tax and bags the progressiveness of a government that wants to deal with the issue. It is simple, is it not? It is quick, and it is easy. You look at it and say that the government is charging people money to park in the city when we have an adequate public transport system that they can use instead of bringing in their cars.

We do not say that the public transport system is perfect, but we say it is one part of an overall package, and along with the implementation of the congestion

levy we will see improvements to public transport. We have seen many of them over the past few months, and certainly the Minister for Transport was out in my electorate in the Upper Yarra acknowledging the massive limitations that people face out there in regard to public transport and being able to choose public transport to get into the city instead of using their cars.

Now they will be able to do it. That area has just received over \$3 million in public transport improvements, which were not considered by the previous government. Only this week the operations manager at Marsh's bus service commented that the area has not seen improvements to public transport of the level that have just been made since the early 1980s. This is about the government recognising the needs of people in outer suburbs and giving them the choice of various forms of transport to access the city and inner suburbs.

As I said, congestion causes air pollution, and according to the Environment Protection Authority, levels are highest in regions with high traffic density, such as in the central business district and inner Melbourne residential areas. With those words, I support this bill. I am very proud that this government does not bury its head but accepts there is an issue and deals with it. I commend the bill to the house.

Mr PERTON (Doncaster) — On behalf of the constituents of Doncaster electorate I oppose this bill. If there is a constituency that suffers the consequences of congestion, it is the people of Doncaster, whether they work in the city, the northern or western suburbs or indeed whether they travel to the east or south-east. I have spoken in this house on many occasions about the traffic congestion at the western end of the Eastern Freeway, and it surprises me that the member who just spoke did not acknowledge the severe problems faced by her constituents and the time wasted by motorists dealing with traffic congestion. Indeed, her speech seemed to paint a rosy view that suggests her constituents' problems were somehow going to be solved by the repainting of buses and trains.

But my constituents are those who use the Eastern Freeway on a daily basis. On average they lose between 30 minutes and 45 minutes a day in traffic congestion. You just have to do some simple calculations to work out that these people are losing three or four weeks a year of their productive working lives in congestion. But it is not just the people using the Eastern Freeway who suffer in that way. One only has to think of Springvale Road which runs through the constituencies of a number of Labor members and the impact of the intersection of Whitehorse Road, Maroondah Highway

and Springvale Road and the railway crossing there. This lazy grab for cash — this congestion levy — will do nothing at all about the congestion that exists on so many suburban roads, whether it be Springvale Road in Nunawading and Mitcham — —

Mr Stensholt interjected.

Mr PERTON — The member for Burwood interjects loudly. One only has to think of Toorak Road and Burwood Highway. I drove through his electorate at the weekend, and even on a Sunday traffic congestion was very heavy. I am happy to report to him that on Sunday I travelled to Wattle Park, and he will be pleased to hear that the Melbourne Tramways Band was playing in the park at the time I visited. But to get there I had to endure congestion on his roads at the weekend.

On any objective analysis, this congestion levy will not solve the problem of traffic congestion. It is guaranteed to raise more revenue for the government. It is guaranteed to increase the costs of doing business in the city, in St Kilda Road, on Southbank, in East Melbourne and in other parts of the inner city, but it will do nothing for congestion because the people and the businesses to be hit by this levy have made long-term decisions about where to situate themselves. They have made long-term decisions about the best place to do business, and in that sense they have no options. If they live in Doncaster or Templestowe, they have no alternative but to drive their cars into the city, particularly if they need to travel to other parts of the city to do business. This is a lazy grab for cash. The government has its head in the sand.

From the perspective of my electorate, Hoddle Street is incredibly congested in the morning and afternoon peak hours. I ask each and every member who has driven down Hoddle Street on a Sunday to think about how long they need budget to travel between the Melbourne Cricket Ground and Victoria Street, whether it is bad traffic light management or just poor management of the road system by the government. Congestion is impacting in a very severe way on my constituents virtually every day of the week in going about their business. While the Kennett government introduced changes to the bus system in my electorate, which means there are more services, nevertheless my electorate is one of those suburbs that was built — —

Ms Green interjected.

Mr PERTON — Your electorate is very similar to mine. It is an electorate where most of your constituents — —

The ACTING SPEAKER (Ms Barker) — Order! The member for Yan Yean should cease interjecting, and the member for Doncaster should ignore interjections and speak through the Chair.

Mr PERTON — Apparently the member for Yan Yean spoke about me at a recent meeting. Let me speak about her for a moment: were she to go and ask her constituents how they feel about this, were she to ask them whether they value the use of their car, were she to ask her constituents whether they value being able to drive their car on roads that are not subject to the heavy congestion that has been caused by the government's failure to invest in projects like an extension at the western end of the Eastern Freeway — a project which has been talked about for years and which VicRoads says is very necessary — and were she to ask them whether she should support all that, she would find that her constituents are very much like mine. They want the freedom to use their motor vehicles.

They are happy to pay fair taxes for their petrol and on their income and consumption, but not to pay this levy to go to work and run their businesses in the city, in Docklands, in Southbank, in East Melbourne and in other inner city suburbs. I think she would find her constituents are very much like mine. They think this is a lazy grab for cash.

The title of the bill and the title of the tax — the congestion levy — is just an example of the newspeak referred to by George Orwell in *1984*. The Labor member who spoke before me could not bring herself to use the word 'tax' or 'levy'. She said this is a 'disincentive'. Talk about washing the language! Talk about trying to hide what you are doing!

There is no doubt at all that the people of Victoria are angry and annoyed about the congestion which impacts adversely upon their lives. I think in many cases they directly blame the state government for failing to invest in road projects and traffic management techniques that would allow us to reduce that congestion. Elements of technology that could be brought to bear include live updates of traffic conditions and encouraging the increased use of global positioning navigation systems. The price of those systems is dropping dramatically. In European countries those systems work with a live feed on the traffic flow, which allows people to adjust their direction or the time at which they leave home to make best use of the road infrastructure. That has not been done. The data has not been made available so that those commercial activities that take place in other countries can take place in this state.

To conclude, congestion is a big problem which impacts directly on the lives of my constituents. Any constituent who uses the Eastern Freeway is losing between 160 and 200 hours a year of time they could have spent at work or with their families or at sports. They know that the congestion levy to be introduced by this piece of legislation will do nothing at all to change the traffic conditions in which they travel to work. It will do nothing at all to change the traffic conditions which they endure on weekends as they go about their shopping or their family activities or travel to sporting activities. They know that this congestion bill is a lazy grab for cash that will apply a levy of \$400 to each parking place next year. Funnily enough, the levy will double the year after the next election, and after that will be indexed annually to the consumer price index. I oppose this legislation, and I do so on the clear advice of the large number of my constituents who have taken the matter up with me.

Ms ECKSTEIN (Ferntree Gully) — I am pleased to make a short contribution in support of this bill, which addresses the issue of traffic congestion in the central business district and the surrounding areas of Southbank, St Kilda Road, the Docklands and East Melbourne. Traffic congestion and consequent air pollution is becoming an increasing problem in large cities in Australia and around the world. Australian cities such as Perth and Sydney have already introduced a parking levy as a means to address this problem. Other cities around the world — London is one — have also had to address the congestion issue, but in a different way.

I have to say that when I was in London last year I noticed the impact of the city's measures to address the congestion problem, and friends and other people I met there remarked that those measures were having a positive impact on traffic in the city. Those measures are a different type, but London has had to address this issue.

Congestion creates access issues and environmental problems for visitors, residents, workers and businesses that operate from and service the city. Road traffic pollutants impact on the quality or otherwise of the air we breathe as well as contributing significantly to atmospheric greenhouse gas emissions. The morning and afternoon peaks are a particular concern in this regard. This bill is seeking to address traffic at those times in particular. Any strategy that reduces the number of cars travelling to and from the city on a daily basis is an important step forward for both improving air quality and reducing the traffic gridlock in the city and on the major roads leading to the city.

I have been travelling to and from the city for many years, including for my previous employment in the department of education. I can remember that 25 years ago it used to take me 45 minutes to get from Ferntree Gully to the city, but now it probably takes me an hour and a quarter or an hour and half, and it will only get worse. If we can introduce measures that will discourage people from travelling to the city in their cars and encourage them to use alternative methods of transport, that will be a good thing. This legislation, and the congestion levy that it introduces, seeks to discourage regular long-term car parking stays in and around the city for those commuting to work.

It is an important step — it is not the only step, and we concede that — in encouraging more people to leave their cars at home and commute to the city by public transport or by other means such as car pooling, bicycle riding or walking. This is also likely to result in health benefits for those individuals through greater exercise, so that is an important aspect as well. As a consequence it should also reduce traffic at peak times on the major roads leading to and from the central business district (CBD). However, the levy will not be sufficient by itself to solve all these issues, so it is part of a package of measures that includes improvements to public transport and road upgrades.

This is not about revenue raising. The money raised through the levy will be used to fund important public transport initiatives in and around the cities of Melbourne, Yarra and Port Phillip. Also, \$5 million from the levy will be provided annually to the City of Melbourne for, amongst other things, a free commuter and visitor shuttle bus to make getting around the city somewhat easier.

The levy will come into effect next year at a rate of \$400 per car parking space per annum and will increase to \$800 per space the following year. The levy will be imposed on the owners of the parking spaces, but there is a capacity — and it is the intent of the bill — that it be passed on to end users in order to discourage them from regularly driving into the city at peak times and encourage them to use other means. It will not apply to short-term parking, and therefore visitors and shoppers will not be affected. This is particularly important to ensure that the Melbourne CBD maintains its central role as a shopping, tourism and entertainment precinct. There are also a large number of exemptions from the levy to ensure that residents, businesses and emergency services, amongst others, are not adversely affected.

The bill represents an important and necessary step in addressing congestion. It is not the only step that needs to be taken, but it is a step in the right direction. It

addresses quality-of-life and air pollution issues in and around the city. I commend the bill to the house and wish it a speedy passage.

Mr COOPER (Mornington) — One thing that has come out of this debate is that everyone is against congestion. It is good that we are all against congestion, but the question is whether this bill will do anything to reduce it, even partly. That is where there is a significant division of opinion, not only between the opposition and the government but also between the government and most of the people who are commenting on this outside the Parliament, who say, along with the opposition, that it will not do anything to reduce congestion.

I note in the second-reading speech that the Treasurer said in part that:

The levy is about reducing congestion, not raising revenue.

The universal response to that by the community has been to say, 'Oh, sure!'. Nobody believes him — and why should they, given the taxing record of this government? Why should anybody believe the Treasurer on this occasion, particularly with the expert opinion around — and other opinions which might not be as expert but which are based on personal, first-hand knowledge — that says this bill is not going to achieve what it purports to do?

It has been summed up in an article in the *Herald Sun* of 6 October under the heading 'Car park tax slammed'. It says:

An \$800 tax on city car park spaces was unlikely to ease traffic congestion and could drive up the cost of short-term parking, a Melbourne City Council report warns.

...

... the report by experienced traffic consultants Murray F. Young and Associates says, 'There is unlikely to be a significant change in the level of traffic congestion in the CBD as a result of the levy'.

'It is probable there will be well over the forecast 48 000 public and private long-term parking bays in the proposed levy area.

The levy should generate more revenue to government than is being forecast.

What a shock that must have been to the Treasurer! He would not have thought about that — like hell he would not have thought about it!

The *Herald Sun* article goes on to say:

The report also warns short-term rates could be increased to reduce price rises for 'early bird' parkers.

It argues there is no shortage of short-term parking in most CBD areas, with the cost of such parks, not their availability, deterring short-term trips to the city.

It warns the tax could create a competitive advantage for regional shopping centres that have free parking for shoppers.

The report found similar levies in Perth and Sydney had failed to reduce city traffic.

There is the crux of it all. We are not inventing a new wheel here with this congestion levy. We are borrowing a wheel off another person's truck, and that wheel has been given the run-around in Perth and Sydney but has been shown to be a dud. The levy has not reduced traffic congestion in Sydney and Perth, yet the Treasurer says to us, 'It is going to work in Melbourne'. Why would it work in Melbourne if it does not work in Sydney or Perth?

The short-term answer is it is not going to work here. We all know that, and we all know the reason for the bill. This is not a levy. It is not anything else but a new tax that will raise a lot of money for this government. It is trying to say to us and members of the community that the money that is going to be raised is going into all these great initiatives. It will fund important metropolitan transport initiatives in the city of Melbourne, the city of Yarra and the city of Port Phillip.

Revenue will be provided to the City of Melbourne to fund urban upgrades and free commuter and visitor shuttle buses. The whole world is going to be just great. It will be wonderful. That is what the government will be doing — overlooking or hoping everybody else will overlook that these initiatives should be getting funded from existing government revenue. Are the people of this city and state not being taxed enough? Is the revenue stream not high enough for the government to do the things it now says are important, the things it says it will do with this new levy? No, it will increase the revenue stream again. It will apply even more taxes so it can do things it should already be doing.

One thing the Treasurer did not think about is the fringe benefits tax. That was left to Neil Mitchell on 3AW to think about. When he interviewed the Treasurer recently about this proposal, Neil Mitchell asked, 'Is it not a fact that fringe benefits tax will in fact be applied to the congestion levy?'. The Treasurer hemmed and hawed to sort of skate around it, but Neil Mitchell pursued him on the issue. Finally the Treasurer had to acknowledge that the fringe benefits tax would apply. So we will have a tax on a tax.

I have heard government members talking about taxes on taxes. I am sure that I heard it with regard to the

GST on petrol. The government was saying it is unfair to have a tax on a tax, but government members cannot have it both ways. They are prepared to slam dunk the federal government over petrol prices and the GST applying as a tax on petrol, yet here the government has introduced a bill where the fringe benefit tax — on the admission of the Treasurer himself, under cross-examination at 3AW — will apply to this so-called congestion levy.

What will be the government's response to that? Is there to be a response? I suggest there probably will not be. If there is a response and if it is a denial, then the Treasurer will be caught out saying one thing to Neil Mitchell and another thing to this house.

This is a tax measure — nothing more, nothing less. It is up to this government now to acknowledge that and come clean with the people of Victoria. It is also up to the government to try to convince this house and the community that something that has not worked in Perth or Sydney will somehow or other work here in Melbourne. I suggest that it will have a heck of a job trying to come up with a sensible explanation or sensibly convincing argument to justify this bill.

Finally, I want to support the remarks made by the member for Doncaster when he said that the government needs to be addressing congestion wherever it is. It should have the wherewithal to do that. But the freeways that service the city — the Monash is one I use, and I also come up the Nepean Highway — should be looked at.

The member for Ferntree Gully said that when she started driving into Melbourne some years ago it took 45 minutes to get into the city, but now it takes her 1½ hours. Snap! I can match that. She is quite right: traffic has grown and congestion has increased. Things are not good for motorists. But you do not turn around and belt the motorist over the head with a tax to try to fix the problem. The government should be using the resources it already gets from taxing motorists to improve the lot of motorists, but that is not what this government is about.

What we are hearing now is a government saying, 'We're going to take the opportunity to use congestion on our roads and in the city of Melbourne to apply another tax on a segment of the people of this state — that is, the motorists of this state'. It is not good enough. It will not wash. It will not be accepted. It has been rejected by most people already. Members of the government need to acknowledge that once again they have put another nail in their political coffin. They need to rethink this issue before it gets out of hand and they

start losing massive numbers of seats because of this kind of approach to the people of Victoria.

Mr LANGDON (Ivanhoe) — It is with a great deal of pleasure that I add my contribution to this debate on the Congestion Levy Bill 2005. The Ivanhoe electorate is an interesting place because it was once considered very much an area of outer suburbs. For example, the dual carriageway railway line went only to Macleod, which is on the edge of the electorate bordering with Bundoora and has fast become an inner suburb — if nothing else the prices of property will indicate that.

One of the biggest issues my electorate faces is traffic, particularly traffic congestion in the morning. It has the Eastern Freeway on one side and many of our roads lead onto it, but the old routes of Heidelberg Road, Upper Heidelberg Road and Lower Heidelberg Road are very heavily utilised. I have established a transport committee which has been meeting for quite a few years now. The Parliamentary Secretary for Infrastructure, the member for Brunswick, has come to meetings on several occasions. To his credit when he has turned up the members of the committee and others who have attended the meetings have loved his input and appreciated his knowledge of the subject of transport and public transport initiatives.

Mr Stensholt interjected.

Mr LANGDON — He is exceptionally knowledgeable, as the member for Burwood has just commented to me. The members of the committee have sought from me and raised with every speaker at the meetings alternatives to what has been occurring, with cars taking over our roadways, cars that are unabated and people just going where they want to. That is obviously particularly so at peak times: the two hours in the morning, which are by far the worst time, and then in the afternoon, which at times is spread over four hours.

The congestion levy is a vital part in the strategy to combat the overuse of cars in places like Melbourne itself. I put on the record now that it is an excellent idea that the money raised from the levy will go to public transport requirements within the city of Melbourne, which is very much in favour of the levy. Any step in the right direction will be a great asset. Comments have been made, particularly by the last speaker, regarding Perth. Perth has taken remarkable steps. The comments were that its program is not working. My advice is to the contrary: Perth has set up quite a bit of public transport infrastructure with its levy, and it is working exceptionally well. Melbourne must do anything it can to ease the traffic congestion. This is a step in the right

direction. It is not a complete package, and people who believe it is are seriously wrong. This is one of the steps that we must take. Anything we can do to discourage cars just circling around Melbourne looking for that one car park during peak hour and clogging up the entire road is a step in the right direction.

The transport committee in my electorate, which is open to everybody to participate in, has not mentioned a congestion levy specifically, but as I said, it has been seeking remedies to the overuse of the car. I commend the bill to the house and allow other people to speak.

Dr NAPTHINE (South-West Coast) — This bill is nothing more than another tax grab by the greedy, avaricious Bracks Labor government. This is the second tax bill we have had in this Parliament today. This morning we had a bill to increase by 100 per cent the royalties on brown coal — a tax grab by the Bracks government. In response to that, the member for Morwell said, 'Don't worry, big business will pay'. The second-reading speech on that bill states that it has been included in legislation in such a way that business can pass it on to individual Victorians through higher prices. This bill is another tax grab by this greedy Bracks Labor government.

I did some research on where this idea was generated. I refer to an article in the *Melbourne Times* of 3 September 2003 which states:

The state government is under pressure to impose a new city car park tax to raise money ...

It says further:

The idea has won the backing of Brunswick MLA and transport parliamentary secretary, Carlo Carli.

Then he is quoted as talking about the trick in it being to try to get people to recognise that it is of benefit to them. So he was saying that what you have to do is introduce it and con people into thinking that it is good for them. That is what the member for Brunswick said back in 2003. What is more, when the member for Brunswick spoke on this bill earlier, he said that this is the first part of a broader solution. The member for Burwood said the same, that it is part of an overall plan, that it is not the answer in itself. Both the dynamic duo of parliamentary secretaries, Flatman and Robin, said that this is part of a plan.

The article in the *Melbourne Times* of 3 September 2003 exposes some of the other parts of that plan, which include:

... a London-style congestion toll ... [and] hikes in payroll taxes and a surcharge on utility bills ...

They are all canvassed in the same paper that the parliamentary secretary is reported as espousing and supporting. In hindsight the article is very accurate, because it refers to 'an \$800 annual charge on car parking spaces' — and I have quoted that exactly. It states:

... an \$800 annual charge on car parking spaces in the city and regional shopping centres ...

Now we know what is going to happen. We now know that on top of this, which two parliamentary secretaries have said is only the first stage of the plan, we are going to have a congestion toll à la the London toll, hikes in payroll tax and a surcharge on utility bills — and later the government will extend this car parking tax to regional shopping centres. It is not about just outer areas of Melbourne, in Glen Waverley, at Highpoint or out at Altona, but also about Ballarat, Bendigo and Geelong. That is what they are talking about — extending this car parking tax right throughout rural and regional Victoria.

Another prominent Labor Party adviser is referred to in the article:

Port Phillip councillor Julian Hill said a car parking levy was long overdue ...

He also said:

... Victoria should also consider a peak-hour toll for drivers entering the city.

The *Melbourne Times* of 3 September 2003 in a very brief article fundamentally exposes the long-term plan that is supported by the Parliamentary Secretary for Infrastructure, the member for Brunswick, and which has been endorsed today by the member for Burwood as part of the government's comprehensive plan. It is part of an ongoing tax grab by the Bracks Labor government. Earlier today I outlined a list of a dozen or more taxes and charges that have been increased, introduced or significantly made worse for the taxpayers of Victoria since the advent of the Bracks Labor government in 1999. This is a tax grab for another \$40 million a year.

It is interesting that Access Economics, a very reputable firm of economists, in a report entitled *Melbourne Car Parking Levy — Good Policy or Revenue Grab?* states that it:

... appears more likely to be focused on raising revenue through the imposition of a new, selective business tax than reducing congestion costs.

It found also that:

... the tax is at best a blunt, poorly targeted and discriminatory method of mitigating the costs associated with traffic congestion in the Melbourne CBD.

So Access Economics has exposed it as not a measure that will really reduce congestion but purely another tax grab by the greedy Bracks Labor government.

I refer also to an article by John Ferguson in the *Herald Sun* of 27 April, from which I will quote extensively.

The article says:

Labor's \$60 million congestion 'levy' is an envy tax that punishes ambition. It is a transparent attempt to raise revenue under the cover of global warming.

It won't work to ease traffic flow and won't have anything other than an infinitesimal impact on the public transport system.

But it will — once again — line the state's coffers with a stupid tax and further alienate a community that increasingly sees the Bracks government as the tax government.

Further, referring to the government, it says:

It has forgotten the people who voted them into power.

Brumby is plainly unaware how on the nose the government is on taxation.

It is a topic of much conversation, one that runs deeper than just land tax.

...

Brumby's congestion tax in many ways typifies the club-footed pursuit of cash that is leaving people cold. It is also gutless politics.

It concludes by saying that the Bracks Labor government has been:

... a greedy disaster on taxation.

It certainly is a greedy disaster on taxation. I predict that the deeper and deeper this government puts its hands into the pockets of Victorians, and the deeper and deeper it puts its hands into the pockets of the businesspeople of Victoria, the more and more business, investment and opportunity will be driven out of this state.

This tax will take away a major competitive advantage that Melbourne has, which the member for Box Hill spelled out extremely well in his excellent contribution to this debate earlier today. Melbourne has a significant competitive advantage, but over time we have lost a number of opportunities to Sydney as the financial capital of Australia. We have some advantages in terms of livability in and access in and out of our city. This imposition on Melbourne of a car parking tax — which has not worked in Sydney and has not worked in

Perth — will drive investment from and take away a significant competitive advantage of Melbourne. It will also take away any incentive for businesses who may wish to expand car parking opportunities in Melbourne. We often hear people who wish to come to Melbourne for shopping, for business and for a range of appointments, complaining about the lack of access to car parking. This tax will take away the incentive for businesses to invest in expanding car parking opportunities in Melbourne.

I agree that there needs to be an increased commitment to public transport in Melbourne. When I am in town I regularly use Melbourne public transport, particularly the Broadmeadows train, to travel from where I reside in Melbourne in to Parliament. When I talk to commuters on public transport the key issues are that they want safer public transport, more reliable public transport and more frequency of and less crowding on public transport.

This government has the wherewithal to do things to improve public transport — but it is not doing that. It is more interested in putting on stupid, ill-considered, poorly targeted taxes, like the tax on car parking, rather than adopting a more appropriate, more strategic and more considered approach to improve and attract people onto public transport. This so-called congestion tax is nothing but a furphy. It is a thinly veiled disguise for increased taxation by a greedy government which is doing nothing — nothing — to improve the effectiveness, the security, the safety, the frequency and the usage of public transport. That is what needs to be done. We need that sort of commitment rather than a short-sighted, ill-considered tax grab by the Bracks Labor government.

Ms GREEN (Yan Yean) — I am very pleased to briefly join the debate on the Congestion Levy Bill, which introduces a new levy on long-stay inner city car parking spaces, thereby providing a financial deterrent to drivers arriving and leaving the city during peak times.

Every responsible government in the Western World needs to implement measures to deal with peak-hour congestion. Melbourne is no different. It is necessary to improve access and amenity to the central business district (CBD), to address environmental and air quality concerns and, importantly, to improve travel times. My constituents want more dollars to go into public transport to address local and city-wide congestion and, most importantly, to give them a choice other than the private motor vehicle and to provide greater frequency on existing services.

This government has a good record on public transport spending. Since 1999 my electorate has seen increased frequency on train services on the Hurstbridge and Seymour lines, and the restoration of weekend and evening bus services — which had been removed by the Kennett government — to Warrandyte, Research, Eltham, Greensborough, Whittlesea and Humevale. New buses have been introduced which service Epping, South Morang, Mill Park Lakes and Greensborough. I am optimistic that funds announced in this year's budget for new bus services in the outer suburbs will benefit communities in my electorate.

Users of the Eastern Freeway have welcomed the excellent park-and-ride facility at Doncaster which has been funded by this government, and also the TravelSmart car pooling project at Doreen. But we still need to do more to deal with peak-hour congestion. I very much support the government's commitment to 20 per cent of all motorised transport trips being on public transport by 2020. This bill will go some way to doing that. I commend the bill to the house.

Ms MORAND (Mount Waverley) — This bill introduces a new congestion levy on long-stay inner city car parking spaces. I think that is the key. In his contribution the member for South-West Coast said it would stop people coming into the city for appointments or for shopping. It will have the opposite effect; the levy will increase the number of short-term parking places.

Big-city congestion is a problem not just in Melbourne but across Australia and the world, and peak-time congestion and air pollution has been identified as a major problem. The levels of emissions from motor vehicles are highest in the central business district and, as you would expect, along major arterials. These emissions have a serious impact on people's health. Environment Victoria estimates that 90 per cent of pollutants pumped into the air are from cars. Road transport contributes 15 per cent of Victoria's total net greenhouse gas emissions. People's health is affected by these emissions. Adverse health effects range from mild respiratory effects to asthma, cardiovascular conditions and premature mortality.

All governments have a responsibility to address this problem, and efforts have been made to reduce greenhouse gas emissions in our atmosphere. But you cannot just hope that these actions will take place on their own; action has to be taken to reduce traffic congestion.

The Liberals of course describe this levy as a tax grab, which is very predictable. Like their federal

counterparts, their approaches to good environmental practice are not policies that they should be proud of — for example, with their opposition to protecting our alpine national parks from grazing, they preferred to take what is a populist approach rather than have good environmental policies which may or may not be popular.

Likewise, the opposition again describes this commonsense, practical and — the key thing — proactive approach to reducing car usage and traffic congestion as a tax grab. That is the same attitude it has to speed cameras, which it also claims are revenue raising. Opposition members completely fail to understand the need for enforcement and incentives to create behavioural change. Behavioural change will not happen without those kinds of incentives. Perhaps they should get out a little bit more and see what the other big cities around the world are doing.

Importantly, revenue raised by the congestion levy will fund metropolitan transport initiatives. An amount of \$5 million of the revenue raised will be used to fund a free commuter and visitor shuttle bus. There are sensible and appropriate exemptions detailed in the bill. This is good government and is about planning for our future. It would not be good government to not proceed with a good policy because it is unpopular with some people. I commend the bill to the house.

Ms CAMPBELL (Pascoe Vale) — I wish to make three major points about this bill. Firstly, Melbourne is the world's most livable city. It is the most livable city partly because of its wonderful public transport system that has been enhanced by this government. Melbourne has one of the world's best-serviced public transport system hubs. It is as a result of that that people throughout Victoria are able to easily access this city via public transport. If they do not have public transport within close proximity to their homes, people in country Victoria certainly have easy access to stations from where they can access the Melbourne central business district (CBD). Secondly, this government has improved cycling routes into this city.

As a result of a proactive stance taken by our government, particularly by the Minister for Environment and the Minister for Transport, cycling routes into this city have been increased greatly. The Upfield shared pathway is one case in point, and the Moonee Valley track along the Moonee Ponds Creek is under active consideration for improvement. Great improvements are also under way on the Federation Trail from Geelong, and that was a feature of the paper. I want to congratulate not only the two ministers concerned but also Bicycle Victoria for the great way in

which it has promoted cycling around the state, particularly the great work it did last weekend on its Around the Bay in a Day event and its continued great work for the VicRoads Great Victorian Bike Ride.

Generally speaking, Melbourne's central business district and its surrounds are flat, so people who do not have mobility issues are able to walk from a vast array of spots around the exterior of the CBD periphery, where this levy is going to apply. In conclusion I also congratulate the Moreland council, which has identified that our health would be improved if as a community we increased our walking and cycling and improved public transport. My electorate experiences far too much pollution as a result of through traffic. I commend this bill to the house.

Mr SMITH (Bass) — This is a sad day for Victoria, because motorists are going to be slugged for extra money. There is no doubt that this levy will be passed on to motorists who look for parking spots in the centre of Melbourne.

The government says that Melbourne is a congested city, but I think a few people should go and look at what it is like in other parts of the world and other states of Australia. They should go and have a look at Sydney if they think Melbourne's streets are congested, and they should also go to Brisbane and Perth. Sydney and Perth are two cities that have already experimented with this rip-off in trying to keep people out, but they should also look at what other places have. Sydney and Perth have reasonably good public transport systems. We could not say that we have that in the state of Victoria.

The government is going to force people to pay more money to park here because they will not have the alternative of getting onto public transport that gets them into Melbourne at a time they want. How are people going to get into Melbourne from my seat of Bass? We do not have public transport down there, apart from a couple of buses a day that run up to Melbourne. How are we going to get people through from Lang Lang, Bunyip or Garfield on public transport?

The people who come in to the city usually need some flexibility when they get here. This levy is nothing more than an excuse for the government to grab more money out of the system. I think government members are hoping to grab \$40 million a year out of the system with this so-called congestion levy. But it is a tax, so let us call it a tax. I say again that it is very sick.

One has to wonder why this government is making a grab for small amounts of cash like \$40 million when it has a budget of \$30 billion. Why are government members trying to get more money? They have been getting into the poker machine levies. We know how they have ripped into those people, and we have argued about it in this house before. At first it was a small amount — I think it was \$333 — and then it was \$1500 and now it has gone up to \$3000. We have had confirmation from the Parliamentary Secretary for Treasury and Finance and the Minister for Gaming that in fact another \$1500 is going to be put on that, which will mean that this government will have taken out about \$135 million in additional taxes.

One has to wonder how anybody can think this government is fair dinkum given the way it goes about things. This legislation provides that all private and public car parks must be registered. The map inside the bill covers a rather large area. Why should people who have parking attached to their units and their homes have to register for this levy? It seems ludicrous. Does the government have some secret plan that in future people who live in Melbourne — or who have in fact been forced back into Melbourne —

Mr Nardella interjected.

Mr SMITH — That is the sort of thing you do: you force people back into Melbourne. The government has this stupid Melbourne 2030 plan to drive people back into the central business district. Now it is saying you cannot park in your own home without having to pay a congestion levy. This just does not make sense, and one has to wonder what sort of desperate plight this government is in as far as finance is concerned. We will have to have a look at it, because it is not right and it is not fair.

In question time today we heard that Royal Automobile Club of Victoria board members have been criticised for being Liberal-sucking parasites by a member of the Labor Party who has been more than happy to criticise it. The RACV has not come out and supported this proposed parking levy in Melbourne, because it cannot see that it is going to work. The government is attacking RACV board members because of a stand they have taken on this proposed levy, which is going to be forced on people.

There have been no studies, so there is nothing that government members can table in this house that says that a levy will work and stop congestion in Melbourne. We do not have enough trains, trams and buses going out to the suburbs of Melbourne for people to use, so they have to drive their cars into Melbourne. This

government is most unfair in the way it attacks motorists, especially rural motorists, because they are the ones who want to come to Melbourne and use car parking spaces. Government members are going to attack people who live in units and flats.

The member for Melton is shaking his head, as if to say it is not going to happen. As low as it is, we know this government is going to start attacking people who live in the CBD to get as much as it can out of them. Government members are trying to do it now, and they are going to continue doing it. That is why they are registering all those properties — and if they do not register them the government is going to hit them for another \$6000 in fines. How are the little old ladies living in some of the suburbs that have been named in this bill going to be able to handle and understand the paperwork? They do not have the opportunity to be able to defend themselves, so opposition members are here to defend them.

The Treasurer is just leaving the chamber, and I would say that it is a damn good thing he is. What he is trying to do to people with this piece of legislation is an absolute disgrace.

Mr PERERA (Cranbourne) — I rise to speak in favour of the Congestion Levy Bill. Melbourne is one of the most livable cities in the world. It is our city; however, we are but a passing machine. The important question is this: when we leave the world will we leave Victoria's and Melbourne's proud record intact for future generations to be proud of and derive benefits from?

This task is incumbent upon all Victorians. However, the government of the day sometimes has to make tough but visionary decisions to lead the people and make such things happen. This is exactly what the Bracks government is planning to do through this piece of legislation. This is the complete opposite of the do-nothing, policy-free opposition. In fact the Deputy Leader of the Opposition misled the house by saying that this levy is applicable to university car parks. Clauses 6 to 24 clearly specify the list of exemptions, and universities are certainly there.

If the levy were mainly about raising revenue, it would have been applied to all car parks and not just long-stay ones, which primarily cause congestion during peak hours in the morning and the evening. This is a revenue-neutral measure for the government. All the revenue generated from the levy will be used for other public transport initiatives. In fact \$5 million of the levy will be provided to the City of Melbourne to fund urban upgrades, including the free community and visitors

shuttle bus. The levy will provide a clear financial incentive to those currently commuting to the city by car to look at other options such as car pooling and public transport.

My son-in-law, Suranga Gamage, who works in the city, drives to work each day and pays for a car parking spot. He has first-hand experience of peak-time congestion. His car parking costs will go up by 25 per cent in 2007. However, he is happy to use alternative transport options and save more money. He will drive halfway, find free parking and hop on the train. He reckons this is a win-win situation. On the one hand, he has the opportunity to contribute to reducing the environmental damage and keep Melbourne one of the best, most livable cities in the world for future generations; on the other hand, he has found a way to save some money that he would not have contemplated had it not been for the new legislation. I commend the bill to the house.

Mr KOTSIRAS (Bulleen) — This bill is a disgrace for the electorate of Bulleen. Some residents do not have access to public transport, and this will do nothing to assist them to get into the city. People who live in Bulleen, which is bordered by Bulleen Road, Templestowe Road and Thompsons Road, have no access to public transport. They have to walk for about half an hour to catch a bus. This legislation will do nothing to assist them. This is nothing more than a tax on people who work. The government claims to represent working people, but it does the opposite. It is against workers and against the residents of Bulleen, and it would like people not to come into the city.

At the next election the people of my electorate will not forget that this government has betrayed them. They will make sure the government is made aware of how it has let them down. This is an appalling bill and an appalling tax. I oppose it.

Mr THOMPSON (Sandringham) — I rise to speak on behalf of the motorists of Sandringham who spend their time sitting or queuing in traffic while driving the 20 kilometres to the city. In addition to paying increased petrol costs, they will now be hit with increased car parking charges. It is not feasible for them to ride the 20 kilometres to and from the city on their pushbikes. It is also not feasible for city office workers who might start work at 7 o'clock in the morning or work until 7 o'clock in the evening to pay an additional cost when they are already meeting their other costs of living in addition to the increased cost of petrol. It is an unfair tax as it is only applied to people in one area. It is an unjust tax, and an attack on the motorists of Sandringham who park in the city.

Mr Nardella — Take the train!

Mr THOMPSON — I take up the interjection about catching the train. The Sandringham train line has the worst record in Melbourne in terms of cancellations and reliability. The government has failed on that frontier, and it has failed on this one as well.

Mr BRUMBY (Treasurer) — I thank the large number of members who contributed to this debate. I thank the member for Burwood, the Parliamentary Secretary for Treasury and Finance; the member for Box Hill, the shadow Treasurer; the Leader of The Nationals; and the members for Brunswick, Richmond, Gembrook, Pascoe Vale, Lara, Ferntree Gully, Mount Waverley, Cranbourne, Ivanhoe, Yan Yean, Warrandyte, South-West Coast, Polwarth, Brighton, Hawthorn, Doncaster, Morningson, Bass, Sandringham and Bulleen for their contributions to this debate.

A number of issues were raised by members. Perhaps it would be helpful if in my summary I respond to some of those. The shadow Treasurer argued, amongst other things, that the congestion levy is simply another slug on motorists. However, if you look at all the data you will see that the current cost of running a motor vehicle in Victoria — the cost of registration, third-party insurance and stamp duty, but not including petrol costs because they apply right across Australia — is the second lowest of any jurisdiction in Australia. It is worth making the point that if you look at the last decade, in real terms motor vehicle registration fees have actually fallen since 1995. They are lower in real terms today than they were 10 years ago under the Kennett government. As well as that, third-party costs have not risen in real terms over the same period.

The government is well aware that in a period when international oil prices have increased to more than US\$60 a barrel and petrol prices have gone up to \$1.30 or more a litre, there are pressures on motorists. But if you look at the government's contribution towards those costs, the fact is that in areas like motor registration, the costs are lower today in real terms than they were a decade ago, and third-party insurance costs have not risen in real terms over the same period.

The second point I want to respond to was made by the member for Box Hill, who said that even though you may not have a liability under this act, it will impose an unnecessary compliance burden on business. I think all members of the house share a concern that there not be unnecessary compliance costs on business as a result of any regulation. Indeed, in the national reform initiative that the Premier released two months ago and which has been forwarded to the federal government, we

suggested that there should be a target of a 25 per cent reduction in regulation over the next four years. We do not regulate for the sake of regulation.

To take up the shadow minister's point, a person who registers but has no liability — I think that was the example given by the member for Box Hill — will not need to have any further contact with the State Revenue Office unless their liability changes. I do not believe that is a significant regulatory burden. If there is no liability, there is no contact.

The third point raised came from the Leader of The Nationals, who argued that the levy would encourage people to drive around the levy areas until they found a short-term parking space. One of the reasons the Melbourne City Council has been a supporter of this proposal is that it has done its own research on congestion in the city of Melbourne. That research shows that a third of people who drive cars around the streets in Melbourne are people who are driving around looking for parking meter spots. So the truth is the opposite to what the Leader of The Nationals said. At the moment, because the pricing arrangements are out of balance, people are just driving around looking for metered spots.

These proposals will tackle congestion when it is a problem — that is, in the morning and afternoon peaks. Contrary to the assertion made by the Leader of The Nationals, there is significantly less congestion in the middle of the day and during the weekend, so it is fitting that the levy does not apply to spaces which are largely used at those times.

The member for Brighton asked why the government does not defer the levy pending the recently announced Victorian Competition and Efficiency Commission review. It is true that since the budget announcement that there would be a levy I subsequently announced that we have asked the VCEC to provide all of the options to government on ways of tackling congestion in Melbourne.

I want to make the point that this is the first step in a range of measures which will be considered by VCEC for tackling congestion in Melbourne. We have ruled out any London-style congestion tax, and that has been made clear publicly by the Premier and me, and it has been made clear to the VCEC.

Mr Perton interjected.

Mr BRUMBY — We have a few people who have their heads in the sand on this issue.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The member for Doncaster, the member for Bass, and the member for Burwood!

Mr BRUMBY — The fact is that members of Parliament on both sides of the house travel around the world, and I am sure members of the opposition who have been busy interjecting over the last few minutes travel around the world. When you visit major cities around the world you come to realise that congestion is a big problem, and governments are grappling with how best to tackle that congestion. This is one of the reasons that the Business Council of Australia — for goodness sake, the Business Council of Australia! — strongly supports this legislation.

Some members of the opposition have their heads in the sand. They are not prepared to take the right decisions, the tough decisions, the correct decisions for the long-term prosperity and livability of Melbourne. This is about a government prepared to take the long-term decision to tackle congestion in Melbourne.

Members may like to know that the Business Council of Australia calculated that congestion in the city of Melbourne today already costs \$4 billion per annum, and that if left unchecked it will rise to \$8 billion per annum.

Mr Smith interjected.

Mr BRUMBY — The member for Bass, who would not have a clue — —

The DEPUTY SPEAKER — Order! I have asked the members who are persistently interjecting to cease doing so. I am not going to continually ask them to stop.

Mr BRUMBY — We made the decision that all of the funds raised through this congestion levy are to be returned for transport initiatives. Firstly, this is necessary to send a pricing signal. Secondly, it is necessary in that context to tackle congestion. Thirdly, all of the money raised from this levy goes into metropolitan transport initiatives. So these measures will reduce congestion.

Melbourne City Council is to receive \$5 million a year, and all that funding will be applied by the council to improving the urban area and improving transport movements throughout the city of Melbourne, so the council is a strong supporter of this levy. As I said earlier, the Business Council of Australia, the Melbourne City Council and environment groups all support the levy.

I refer to another promise by the opposition which will never ever be delivered, firstly, because it will not be in government, but secondly, if it was, this is an irresponsible promise. It has promised to abolish this in government. It is opposing this legislation — that is \$38 million. The opposition cannot pay for its no-tolls promise and it has clocked up \$1.2 billion of other promises. The Leader of the Opposition and the member for Box Hill travel around the state like a mobile automatic teller machine promising money to whoever wants it.

Mr Perton interjected.

The DEPUTY SPEAKER — Order! I caution the member for Doncaster.

Mr BRUMBY — The final point I would make — the opposition hates to hear it — is that since we have been in government the economy has grown by 53 per cent, total revenue has grown by 49 per cent and we have been cutting taxes.

Mr Smith — What tax cuts? Where? Name them!

The DEPUTY SPEAKER — Order! The member for Bass will not continue to interject in that manner.

Mr Smith interjected.

The DEPUTY SPEAKER — Order! The member for Bass will not continue to interject in that manner or argue with the Chair.

Mr Perton — Numeracy is a problem for the minister.

The DEPUTY SPEAKER — Order! The member for Doncaster!

Mr BRUMBY — We are never going — —

Mr Perton interjected.

The DEPUTY SPEAKER — Order! I cautioned the member for Doncaster a few minutes ago. I now warn him.

Mr BRUMBY — We are never going to let the member for Doncaster free in a school, I can tell members that. We are never going to let him free in a classroom for his own particular brand of voodoo economics and — —

The DEPUTY SPEAKER — Order! I ask the Treasurer to assist the Chair by returning to the bill.

Honourable members interjecting.

Mr Perton interjected.

The DEPUTY SPEAKER — Order! The member for Doncaster is reflecting on the Chair. I have asked the member for Doncaster on a number of occasions to behave in an appropriate manner in the chamber. I will not continue to do so.

Mr BRUMBY — As I said, all around the world, governments and councils are grappling with the issue of congestion, the effect of motor vehicles on congestion and air pollution, and particularly during peak periods. We announced this decision at budget time. We have consulted widely with all interested parties in order to implement this policy and this legislation gives effect to it.

As I said, groups like the Business Council of Australia, Environment Victoria and the Melbourne City Council are supporters of this legislation because it is the right decision for the long-term prosperity and livability of Melbourne. I commend the legislation to the house.

House divided on motion:

Ayes, 57

Allan, Ms	Jenkins, Mr
Andrews, Mr	Kosky, Ms
Barker, Ms	Langdon, Mr
Batchelor, Mr	Leighton, Mr
Beard, Ms	Lim, Mr
Beattie, Ms	Lindell, Ms
Bracks, Mr	Lobato, Ms
Brumby, Mr	Lockwood, Mr
Buchanan, Ms	Lupton, Mr
Cameron, Mr	McTaggart, Ms
Campbell, Ms	Marshall, Ms
Carli, Mr	Maxfield, Mr
Crutchfield, Mr	Mildenhall, Mr
D'Ambrosio, Ms	Morand, Ms
Delahunty, Ms	Munt, Ms
Donnellan, Mr	Nardella, Mr
Duncan, Ms	Neville, Ms
Eckstein, Ms	Pandazopoulos, Mr
Garbutt, Ms	Perera, Mr
Gillett, Ms	Pike, Ms
Green, Ms	Robinson, Mr
Hardman, Mr	Savage, Mr
Harkness, Dr	Seitz, Mr
Helper, Mr	Stensholt, Mr
Holding, Mr	Thwaites, Mr
Howard, Mr	Treize, Mr
Hudson, Mr	Wilson, Mr
Hulls, Mr	Wynne, Mr
Ingram, Mr	

Noes, 23

Asher, Ms	Napthine, Dr
Baillieu, Mr	Perton, Mr
Clark, Mr	Plowman, Mr
Cooper, Mr	Powell, Mrs
Delahunty, Mr	Ryan, Mr

Dixon, Mr	Shardey, Mrs
Doyle, Mr	Smith, Mr
Honeywood, Mr	Sykes, Dr
Jasper, Mr	Thompson, Mr
Kotsiras, Mr	Walsh, Mr
McIntosh, Mr	Wells, Mr
Maughan, Mr	

Motion agreed to.

Read second time.

Consideration in detail

Clauses 1 to 15 agreed to.

Clause 16

Mr CLARK (Box Hill) — In relation to this clause I want to explore and get some response if possible from the Treasurer on some of the practical issues that are likely to afflict long-suffering residents and other owners of properties within the levy area being established by the bill. I could scarcely believe my ears earlier when the Treasurer, in closing the second-reading debate, said it was the government’s intention that residents and others who had exempt car-parking spaces within the levy area would still have to register themselves with the State Revenue Office. I will also explore that issue later.

In relation to clause 16 I seek further information for the benefit of residents and owners in the levy area as to how the exemptions for residential and other categories of car-parking spaces are going to work. Each of the exemptions only operates if the relevant car-parking space is set aside or used exclusively for the exempt purpose, and in relation to clause 16:

... if it is set aside or used exclusively for the parking of a motor vehicle by a person for residential purposes.

The same specification applies to the exemptions in subsequent clauses. The question that needs to be responded to is this: what is going to be required to have the purpose fall within the definition of ‘exclusively’? If one takes the word at its face value, one finds that ‘exclusively’ means ‘solely, only and for no other purpose than the purpose concerned’, so what happens if you have, for example, someone who has a residential car-parking space and from time to time a service person who comes to their house parks their car in that car-parking space?

Honourable members interjecting.

Mr CLARK — It could be a tradesperson, a cleaner or somebody else who comes to visit them. The response to that may be, ‘They are exempt under clause

17 because they are persons providing maintenance or other services to the premises on which the parking space is located’. However, the trouble is that each of these exclusive exemptions is a separate exemption. You cannot qualify by falling under one or other of them cumulatively or in total; you have to qualify by falling under each of them exclusively. So we have a very severe test in order to qualify for this exemption. We have had raucous interjections from those in the far corner of the house, who do not seem to think that this is a matter to be taken seriously. What they have to realise is that they can cavalierly pass this legislation, but there are poor blighters in the community who have to cope with the consequences of its administration.

This then flows through to the way in which partial exemptions, which are described as ‘concessions’, operate in clauses 25 and 26, because if a car-parking space is exempt for only part of a year, then there is a pro rata reduction. If a car-parking space is used for a purpose other than an exempt purpose at some point and therefore forfeits its status as a space used exclusively for that exempt purpose, how long does it take before it requalifies? In other words, if a tradesperson or cleaner parks in a residential car-parking space and that space therefore ceases to be set aside exclusively for residential purposes, can it qualify again the next day or the next month? How long does it have to wait? In other words, how much tax has to be paid if a car-parking space is used for a purpose other than an exempt purpose?

This is going to be an ongoing issue in the administration of this tax. The victims of this tax are entitled to some explanation as to how it is going to operate and equally how it is going to be policed by the government. How does the government intend to determine whether or not a car-parking space is being used exclusively for an exempt purpose? How many inspectors are going to be prowling and snooping around the levy area to see whether or not a cleaner, a babysitter or somebody else has parked their car in a residential car-parking space or whether any of the other exempt spaces have been used for non-exempt purposes? How on earth is this provision going to be enforced, and how much is it going to cost?

Mr BRUMBY (Treasurer) — Perhaps I could deal with clause 16, and I might also refer to clause 17, because in part the two are related. I listened very carefully to the member for Box Hill, but I think he is trying to create some circumstances which will be resolved by the application of the bill and some commonsense. Frankly, I thought he had gone to extraordinary lengths to try to create a set of scenarios, and I had difficulty in fathoming the construct that he

has put to the house. Clause 16 is quite clear. Subclause (1) exempts a parking space which is:

... set aside or used exclusively for the parking of a motor vehicle by a person for residential purposes.

Clause 16(2) provides:

A reference in sub-section (1) to residential purposes includes a reference to temporary residential purposes such as staying in a hotel, serviced apartment or club that provides accommodation.

I think in part that is linked to clause 17 as are some of the other examples given by the member for Box Hill. People visit office buildings and other business premises for short periods for a whole range of reasons — for example, delivering goods, attending business meetings, attending training seminars, and so on. Many buildings allocate short-term visitor car parking spaces specifically for those kinds of purposes.

This clause is intended to exempt those types of visitor parking spaces so long as they are provided without charge; then it is not an issue. I listened carefully, but I think the bill is clear and I think the explanation I have given in relation to those short-term visits clarifies the issues raised by the member for Box Hill.

Mr SMITH (Bass) — The Treasurer talked about short-term car parking where people can load and unload goods, and so forth and said it does not apply if you do not have to pay a fee on the space. What if there is a council parking meter on the space? Does a person have to pay then? There are parking meters set aside in the streets of Melbourne.

Mr BRUMBY (Treasurer) — The congestion levy does not apply to metered parking spaces. The question is irrelevant.

Mr Smith interjected.

Mr BRUMBY — The honourable member asked a question about metered parking spaces. I heard him say, ‘What if it is one of those spaces where there is a meter and you have to pay for it?’. The levy does not apply to metered parking spaces.

Mr CLARK (Box Hill) — I thank the Treasurer for responding to the issues I raised. Unfortunately, if anything I think his response adds to the difficulties. I thought he may have argued that there was not a problem in relation to residential purposes and a car parking space being used exclusively for residential purposes on the basis that people of the sort who normally visit residential premises, and those people parking in such a parking space, fall within the

definition of ‘residential purposes’. But the Treasurer did not say that at all. In fact, he referred to clause 16(2) and to :

... temporary residential purposes such as staying in a hotel, serviced apartment or club that provides accommodation.

The problem is that because the clause expressly extends the definition of ‘residential purposes’ in one respect, by implication it excludes other possible extensions of the meaning beyond its core meaning. There is a Latin maxim to that effect: *expressio unius est exclusio alterius* — that is, if you specify one thing, by implication you exclude others.

So a concern remains whether the use of a car parking space by cleaners, babysitters and other contractors visiting residential premises falls within the definition of the exemption. In other words, will their visit forfeit the status of that parking space as a space set aside exclusively for residential purposes? I believe that matter remains unresolved.

The exact same situation does not arise in clause 17 because as the Treasurer rightly says, clause 17(1)(c) covers visitors. It seems to me that it covers visitors, whether or not a charge is imposed. But in any event, it covers the business. My point in relation to clause 17 and the other exemption clause relates to the term ‘set aside or used exclusively’. In other words, if someone visits and uses one of these parking spaces for a purpose that does not fit within the exemptions, will the exemption be forfeited?

For example, if somebody comes and uses a parking space set aside for one of those purposes and at that time it is that person’s usual place of business or work — if their normal car parking space is not available so they put their car for that day in a space that is set aside for maintenance or for contractors et cetera — does that forfeit the exemption, and if that is the intention, how is it going to be policed? If the exemption is forfeited, how long is it forfeited for before the entitlement to the concession provided in clause 25 reactivates?

Mr STENSHOLT (Burwood) — Quite frankly, this is like asking how many angels can dance on the top of a pinhead. On the member for Box Hill’s first point, there are quite a range of exemptions. Whether it happens to be used for one thing or another, so long as there are exemptions, it is fine.

The administration is done on the basis of returns where people say how the space was used in the previous year. It is not done on a minute-by-minute sort of

arrangement. These are long-stay car parks and they are administered on that basis.

Clause agreed to; clause 17 agreed to.

Clause 18

Mr HONEYWOOD (Warrandyte) — The matter I wish to raise for the minister has been brought to my attention by a number of universities, including Victoria University of Technology, RMIT and indeed the small campus of Monash University based in the central business district.

While there is a specific exemption in terms of the levy not being applied for premises on which is located a municipal council, religious body, charitable or benevolent institution, hostel, university, library or museum, that in itself would not appear to provide protection to these universities who have subcontracted their car parking spaces to Kings Parking and Wilson Parking in particular. Therefore, because the actual car parking spaces used by the university students and staff are not owned by the university, but rather in most cases by the parking companies, I put to the minister that it needs to be clarified to what extent those contracted-out car parking spaces will be protected.

As I mentioned in my contribution to the earlier debate, there are situations where students come from areas which are not serviced by public transport, such as Warrandyte which is not serviced by fixed rail or trams. The students car pool to come into city campuses and the car parking arrangements are a subsidy supplied through the university to the subcontractor, be it Wilson Parking or Kings Parking. So if the land with the subsidised car parking spaces on it is not owned by the university, where does this sit with the car parking levy?

Mr BRUMBY (Treasurer) — In response to the member for Warrandyte, I think three universities fall within the levy zone — Victoria University, RMIT University and the Australian Catholic University. The position in relation to exemptions is set out clearly in the bill: university car parking spaces that are owned by the universities and provided for educational purposes without charge will be exempt from the levy.

Mr Honeywood interjected.

Mr BRUMBY — No, let me finish. If they are owned and provided without charge, they are exempt. In terms of those that are not exempt, any other parking spaces within a university which are used for public or private parking and for which a charge applies will of

course be subject to the levy in the normal way to ensure equitable treatment vis-a-vis other car parks.

In relation to any contractual arrangements which a university might have with outside car parks off campus, those spaces will be treated in exactly the same way as any other car parking space for which there is a charge. If a space is short term, it will be exempt; if it is long term space, it will be declared and the levy will be payable on that space. Assuming, then, that a levy is payable on a space in an outside car park which is contracted by the university, the question of who pays that levy is obviously a matter which will be determined between the car park operator, the university and presumably the employee —

Mr Honeywood — Or the student.

Mr BRUMBY — Or the student. It is exactly the same as it would be for anyone else purchasing a long-term car parking space.

The whole intent of the congestion levy, as the member will be aware, is that where there is a long-term car parking space the levy will apply and be payable by the operator. We expect that in most cases the operator will pass on that charge to the user, who may pay it him or herself or may have it paid by a third party or an employer in exactly the same way as the fringe benefits tax, which is payable to the commonwealth, can be paid by the employee or by the employer. The member would be well aware that there are a range of charges on car parking spaces, including commonwealth charges through the fringe benefits tax. Who pays those, at the end of the day, is usually a matter for negotiation between an employer and an employee. So it will be in relation to the congestion levy. Who pays it and the extent to which it is passed on will be a matter for the user — and, if the user is an employee, for their employer.

Dr NAPHTHINE (South-West Coast) — From what the Treasurer has just said I think I now understand clause 18, but I would like an absolute clarification, because the question raised was in relation to universities. It was my original understanding in reading clause 18 that it was a fairly broad clause that was trying to provide some support via exemptions to a range of public bodies and charitable institutions, but clearly they are now going to be hit with this car park tax.

I can think of many religious bodies and charitable benevolent institutions which have offices in the area affected by the new tax but which do not have owned car parking areas within their facilities. Therefore they

undertake long-term leases to provide car parking for their staff and others in privately owned car parks or other facilities. From what I understand of what the Treasurer has just said, including his response with regard to universities, if the Sisters of Mercy or a charitable institution has an office in St Kilda Road or the city and has to lease long-term car parking for its staff, then if it does not own the premises on which that car parking is provided, it, along with other charitable and benevolent institutions, hospitals, libraries and universities, will have to pay this car park tax.

They will either have to pay the tax themselves or they will have to get their staff to pay it, because, from what I understand from the description the Treasurer just gave, unless the car park is physically and actually owned by the institution themselves, rather than being under a long-term lease from some other owner, then they will be up for it.

I just need that absolutely crystal clear, because my original impression when I went through the bill was that this was a fairly broad-sweeping and, some would say, commonsense exemption for a whole range of public bodies, charitable bodies and benevolent bodies. Based on what I heard from the Treasurer before, I have misunderstood that. Now I understand from what he has described, and I need it confirmed, that these public bodies — these charitable institutions, benevolent bodies, hospitals, universities, libraries, museums, religious bodies and municipal councils — will actually now have to pay this car park tax, or their staff will have to pay it, unless they physically own the actual land on which their car park is provided.

If my understanding is the correct interpretation of what the Treasurer has said, I would like the Treasurer to confirm that, because I think many of these organisations will get a heck of a surprise when they find out that this is what is actually going to happen under this legislation.

Mr BRUMBY (Treasurer) — It is probably worth emphasising the significant range of exemptions which are applied under the act because that may assist the member for South-West Coast's understanding of the application of it. In addition to short-stay car parking spaces, there are a whole range of areas which are exempted from the application of this levy. As we have been discussing, on-street parking, residential parking, bicycle and motorbike parking, disabled car parking spaces, loading zones, parking spaces owned by local councils and provided without charge, religious bodies, hospitals, charities, public benevolent institutions, universities, museums and libraries will be exempt. Parking spaces provided without charge used by

ambulance, fire brigade and police motor vehicles, temporary car parking spaces, and a range of others, including shift workers, are also exempt.

In relation to the specific matter, clause 18 of the bill is quite clear. It says:

A parking space is an exempt parking space if —

(a) the premises on which it is located are owned ...

The member for South-West Coast, in trying to get a better understanding of this, I think has erred in his conclusion when he asked whether that meant that if a charity owned a property across the road and cars were parked on it, they would pay. The act requires them to be the owner. If they are the owner, if the parking is provided without charge, then they are exempt from the levy. But to be clear about it, obviously for employees or others, whether it is at a university or one of the other institutions, if those employees are using a fee-paying, long-stay car park, that car park space — because it is long-stay and because it is subject to a charge — is subject to the levy. That is the basis of the levy.

I understand the opposition's position. The opposition has indicated previously on the second reading that it does not support this bill, so I understand that the opposition is opposed to it. But the basis of it, and we need to be clear about it, is that it is a levy which applies to long-term parking spaces. Where there is a long-term parking space, it is a space which is paid for — in other words there is a charge for it and it is not an exempt space as defined in the legislation under relevant clauses — then the levy applies. It is a simple as that.

Honourable members interjecting.

Mr BRUMBY — The levy applies. The levy is payable by the car park operator under the legislation.

Honourable members interjecting.

Mr BRUMBY — I said earlier that the operator in many cases will pass it on. That is the whole basis of the levy, that you do not — —

Honourable members interjecting.

The DEPUTY SPEAKER — Order!

Clause agreed to; clauses 19 to 26 agreed to.

Clause 27

Mr CLARK (Box Hill) — The Treasurer confirmed in closing the second-reading debate that it is the

government's intention that the owner of every private or public car park within the levy area — which is basically the owner of every premises or part of premises within the levy area that has one or more parking spaces — will be required to register for the purposes of this legislation. This is going to be an onerous and unnecessary burden on thousands of residents and other owners of properties within the levy area.

The Treasurer tries to justify it by saying, 'We still support light-handed regulation. We still want the federal government to cut its regulatory burden by 25 per cent — and don't worry about simply requiring all of these people to fill out a form and lodge a registration even though their car parking spaces are, if the problems about exclusive use are overcome, going to be exempt. Never mind, they will just have to register once so it is not too bad a burden after all'.

The Treasurer owes the house and the public of Victoria, in particular the poor citizens who are going to have to go through this registration process, some explanation of what exactly is going on and how this provision is going to be administered and enforced. What studies has the government done about how many owners are going to have to register under this process? Perhaps the Treasurer can tell us what the quantification has been to date.

Flowing on from that, what staffing levels will be required in the State Revenue Office to process these registrations? What will be the cost to the public for all of this? Unless the government intends to go around actively catching people for not exclusively using their car parking spaces for exempt purposes, then this legislation will be utterly pointless paperwork. The Treasurer says that once they have filled out their form, nothing more will be required of someone who has an apartment in the central business district or Docklands, or who owns a house with an off-street car parking space within the levy area in South Yarra, East Melbourne or other inner urban areas. What on earth is the point of putting them through this process in the first place?

Given that these poor people are going to have to register, when will the forms be available so they may fill them out and lob them into the State Revenue Office? The act will not come into operation until 1 January, so presumably the registration cannot be in accordance with the legislation until after 1 January 2006; yet the application must have been made by 21 January 2006. So we will have a narrow window of opportunity and obligation over the summer holiday period when lots of people are trying to turn their minds

to summer and recreational activities. Many of them will have been away on holidays but they are going to have to put their holidays to one side so as to fill out these forms and get them in to the State Revenue Office by 21 January.

What are they going to have to tell the State Revenue Office when they fill out these forms? The application is required to be in a form and contain the information determined by the commissioner. That is a pretty open-ended requirement. What sort of questions is the commissioner going to ask? Is he simply going to ask about the number of spaces? Is he going to ask how long the person concerned has been living on the premises? Will he ask details about how the spaces are used? Are they separately delineated? How many cars park there; when do they park? Is he going to require some commitment by the owner that they will not use them for a non-exempt purpose?

These citizens are entitled to have an explanation about all these matters. How does the government intend to go about notifying all these poor owners of their requirements to lodge? Is the government going to send a letter out to every household with a colour photograph of the Premier or the Treasurer saying, 'Aren't we great? Isn't Victoria a great place to live? By the way you have got to fill out this form and get it into the State Revenue Office by 21 January or else we will fine you upwards of \$6000.'?

Given the regulatory burden that is going to be imposed, what is the enforcement regime going to be? How many inspectors does the government intend to have combing the inner suburbs of Melbourne, looking over fences for parking spaces in backyards that have not been registered or snooping into the basements of apartments to look for unregistered spaces? We need answers to all of those questions from the Treasurer.

Mr BRUMBY (Treasurer) — Obviously in common with any other tax decisions made by a government at the state level, the State Revenue Office handles the administration of that. It is not the government or the Department of Treasury and Finance that handles that. It is the State Revenue Office — that is its job in exactly the same way as the Australian Taxation Office handles tax administration for the commonwealth.

The SRO will obviously handle the administration of this matter. I make the point, though, that in any tax line where there is an element of self-assessment it is the usual practice under this government and previous governments to require potential taxpayers to register. A good example of that is payroll tax where there is a

threshold but it is the responsibility of the potential taxpayer to register. The legislation requires all car park owners and operators to register. This is because although they may be exempt at the point of initial registration, over time circumstances may change. For example, a residential parking space may subsequently be leased out for commercial purposes. If there is a change of use, then there is a change of liability.

I am advised that the SRO will not seek to impose penalties on those who fail to register but are found to not have a liability to pay the levy. A person who registers but has no liability will not need to have any further contact with the SRO unless their liability changes.

Mr SMITH (Bass) — Can I get this clear: as every car park in every high-rise building shown in the map will have to be registered, will people who do not live in apartments which they have bought off the plan of buildings which are being built and which are registered in their names have to register their parking spaces at that stage?

The DEPUTY SPEAKER — Order! Would the member for Bass succinctly repeat his question for the minister?

Mr SMITH — My concern is that every car park attached to a unit in a high-rise building in Melbourne will have to be registered. Eureka Tower will have a number of car parks under it, as do those at Docklands and even the ministry units in the high-rise areas. People will have bought units off the plan, as they have for Eureka Tower. They have not moved into those places, but they still have some sort of claim on that unit and that car parking space. Who will be liable for the payment there and for the registration forms to be filled in? Will they have to do that when they move in or now?

Mr BRUMBY (Treasurer) — There are a number of hypotheticals there. Looking at one of the hypotheticals that the member for Bass has raised, which was about a high-rise tower, my understanding is that it would be the body corporate. I will check that with the State Revenue Office and advise the member, but my understanding is that in the vast majority of cases you would expect that the body corporate would be responsible for furnishing that information, in exactly the same way that the body corporate has responsibility for a huge number of other administrative, tax, rates and other charges levied on buildings and spaces. I will check that and advise the member.

I should say more generally that there have been a number of questions about the process which will be applied. As I have said, that is the responsibility of the State Revenue Office. As members know, the SRO consulted very widely before the finalisation of the legislation and produced for me an implementation report, which I released publicly some weeks ago. As to the administrative processes which will be followed for assessment, they are set out in schedule 2 of the bill, at pages 25, 26 and 27. Obviously, subject to the passage of the legislation through both houses and its assent, the SRO will issue further material by way of information in relation to this matter.

Mr CLARK (Box Hill) — I again thank the Treasurer for responding to the issues that I raised earlier but I must say that I am appalled by the answer that he has given. The Treasurer may say that the SRO will handle the administration of this matter but he is responsible for the policy giving rise to this administrative need and for the costs and feasibility of doing it. He referred to having received previously an implementation plan from the SRO. Hopefully that implementation plan covers some of the issues that I asked about in relation to how many owners will be required to be registered, what it will cost and what the staffing levels will be to administer that registration process.

I make the point in passing that not only exempt residents will have to register but also the owners of all the other exempt car parking spaces around the CBD, such as emergency car parking spaces, the spaces of hospitals, universities, libraries, benevolent institutions and parking spaces used for special events. I presume that the Melbourne Cricket Club — or whoever else is deemed to be the owner of Yarra Park — will have to register. No doubt one of the questions they will have to answer is how many spaces they have and what assurances they can give that those places will be used exclusively for special events.

In recent times we have had the Treasurer being very loose in using terms such as half-baked and half-witted. The more we explore this bill the more it becomes apparent that this is a half-baked, half-witted, ill-considered piece of legislation where the practicalities and the administrative burden that has been created by it have not been properly considered. Everything that the Treasurer has had to say to the house this evening confirms that conclusion.

Clause agreed to; clauses 28 to 30 agreed to.

Clause 31

Mr BAILLIEU (Hawthorn) — I note that clause 31 provides for an annual return from those paying the levy imposed by the bill. That will, no doubt, give the government and the Treasurer in particular an opportunity to monitor the impact of the levy and report on the levy. Will the Treasurer give the house the assurance that the government will be reporting the impact of that levy as a separate line item in detail and certainly in aggregate? At the same time will the Treasurer take the opportunity to advise the house how the government intends to monitor the other impacts of this levy on the community, and particularly — given that the levy is intended, according to clause 1, to reduce traffic congestion — how the government intends to report on the reduced traffic congestion as a result of this levy?

Mr BRUMBY (Treasurer) — Just briefly in response to the member for Hawthorn, obviously in relation to the returns and payments, the revenue received on the congestion levy will be reported annually each year in the budget.

Mr Baillieu — As a separate line item?

Mr BRUMBY — My understanding is that it will be, yes. In keeping with other principal charges that the government applies, the expectation is that for the financial year when the levy is at its full rate of \$800 it will raise \$38 million in a year and that will be reported in the budget and, of course, at the end of the year in the annual financial report.

In terms of its broader impact, as the Premier and I have made clear, we want to make sure that this does have an impact on congestion. I have made it clear publicly that I think three years is a reasonable time to make an assessment of whether the levy is achieving the objective we have set for it, which is to reduce congestion. How will we determine that matter? We will do so on the basis of a range of information which will come from a range of groups including, obviously, the council and groups like VicRoads. In the future it may be appropriate to have some independent assessment. I think three years is a reasonable time to see if behaviour change has occurred. I have said that publicly and I intend, obviously, reporting on its effectiveness at that time and would expect that the levy has been successful in tackling congestion across Melbourne.

Clause agreed to; clauses 32 to 34 agreed to.

Clause 35

Mr BAILLIEU (Hawthorn) — I ask the Treasurer to clarify whether the regulations which will be imposed by clause 35 will require the owners of car parks to physically identify whether those car spaces are long-term car spaces or otherwise, and how it might be proposed that that identification take place?

Mr BRUMBY (Treasurer) — The legislation explains the broad principles, of course, and then through the various clauses how that will be applied to those spaces. But the question related to clause 35 and the regulations. If there are any specific matters, I am happy to follow those up with the State Revenue Office (SRO) and respond to the member concerned.

Mr BAILLIEU (Hawthorn) — Further, if the Treasurer is saying that he is unsure whether car spaces will have to be identified as long-term or short-term car spaces, then I would appreciate it if he would advise the house. I note that the parliamentary secretary seems to be unsure, and the Treasurer is looking puzzled here because I do not think he knows — —

Mr Brumby interjected.

Mr BAILLIEU — You are imposing regulations; will you require the identification — —

The DEPUTY SPEAKER — Order! Through the Chair.

Mr BAILLIEU — Will the Treasurer be requiring owners of car spaces to identify those spaces as long-term or short-term spaces? In what form will that identification take place, and will that be a matter that these regulations cover?

Mr STENSHOLT (Burwood) — From my understanding of the question from the member for Hawthorn, many of the clauses between 1 and 34 explain how these car parks are identified, what proportion are identified, and how people will make their returns — and of course we have already alluded to schedule 2, which explains the assessment of the levy for 2006. I draw the attention of the member for Hawthorn to the other parts of the bill.

Clause 35 is a general clause. If there is any need for regulations to cover issues that may come up, they may be general or of limited application, or there may be differences in time — as it says there — places or circumstances. This is a sensible way of putting it in case something comes up, which can be dealt with at the time. If there is anything the member for Hawthorn wishes to raise, I am sure the Treasurer would be more

than happy to seek advice from the State Revenue Office in terms of issues that he might wish to raise on the application of the act when it is in force.

Clause agreed to; clauses 36 and 37 agreed to.

Schedule 1

Mr BAILLIEU (Hawthorn) — Schedule 1 describes the levy area — which is fundamentally part of the central business district (CBD), part of South Melbourne, part of Port Melbourne, part of Docklands and parts of the St Kilda Road precinct, East Melbourne and South Yarra — and it sets a boundary. Will the Treasurer assure the house and those involved on the longevity of that boundary and as to the likelihood of its shifting, given that the creation of the boundary will create an incentive to locate car parks immediately outside the boundary? Then there will be those who will wish to know what the Treasurer has in mind in terms of those boundaries. He has talked already of a three-year time frame for considering the impact of the levy.

I think there will be others who will now be saying, ‘The place to build a car park in Victoria is immediately outside the boundary’, and we would appreciate some assurance as to the longevity of the boundary and its flexibility. As the government already has problems with boundaries in other areas, I wonder whether the Treasurer would afford the house a response?

Mr BRUMBY (Treasurer) — The schedule as set out in the act is defined in writing and set out as a map on page 24 of the bill. If the levy area were changed, that would require an amendment to the legislation, so I can reassure the honourable member for Hawthorn that the boundaries will not change without my — or whoever is Treasurer at the time — return to the Parliament with an amendment to change the levy area.

Mr Baillieu — You are not giving any assurances.

Mr BRUMBY — Assurances on what?

Mr Baillieu — That you will not be changing it.

Mr BRUMBY — That is a silly question: I have just made it very clear to the honourable member. He has asked the question; I have answered it accurately — the levy area can only be changed by an amendment to the legislation, so until such time as there is an amendment passed — —

Mr Mulder — But you could rule out extending it, though.

Mr BRUMBY — For the next 500 years; that would be sensible policy; that would be Liberal Party policy. That is the sort of stupid policy we get from the Liberal Party — stupid, uncostered policy!

Mr Mulder — Rule it out!

Mr BAILLIEU (Hawthorn) — We seem to have touched the Treasurer’s hotspot. I note that the Treasurer has failed to rule out shifting the boundaries, even within a three-year time frame, and I think that sends a very clear message about the government’s intentions.

Schedule agreed to; schedule 2 agreed to.

Bill agreed to without amendment.

Third reading

The DEPUTY SPEAKER — Order! As a required statement of intention has been made under section 85(5)(c) of the Constitution Act 1975, the third reading of the bill is required to be passed by an absolute majority. As there is not an absolute majority of members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The SPEAKER — Order! The question is that this bill be read a third time. As there are some voices for the noes I ask honourable members who support the bill to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

DEFAMATION BILL

Council’s amendments

Returned from Council with message relating to amendments.

Ordered to be considered next day.

Remaining business postponed on motion of Mr CAMERON (Minister for Agriculture).

ADJOURNMENT

The SPEAKER — Order! The question is:

That the house do now adjourn.

Health: neonatal hearing screening

Dr NAPTHINE (South-West Coast) — The issue I wish to raise is for the attention of the Minister for Health. I seek action to ensure that there is an effective neonatal hearing screening service in south-west Victoria. As members would be aware, early detection of developmental delay or disability usually provides a much better opportunity for action to be taken to help the child or family concerned to overcome or respond to their disability or problem. Early detection of hearing problems provides a great opportunity for early intervention to help the child with a minor hearing loss or deficit to develop good language skills and a range of strategies to deal with their hearing problem. Children with more serious problems can be assessed for cochlear implants and/or early action to help them and their families.

In the past maternal and child health nurses have conducted routine hearing tests on all children between the ages of seven and eight months. In south-west Victoria, and particularly in the shire of Moyne, these nurses have been instructed to discontinue these tests. They have been so instructed because they accept that there is a better system, which is to use the so-called Colorado model from the United States, which involves testing all newborns shortly after birth, retesting any babies with doubtful results within the first three months and within six months providing assistance as required.

However, the problem in south-west Victoria is that while the machines are available to test neonates at our major local hospitals, particularly at South West Healthcare at Warrnambool, there is no audiologist and hence no testing. We have the worst of all worlds: no neonatal testing shortly after birth and discontinued testing at seven and eight months of age, so children can get to kindergarten or school without being properly tested for a hearing deficit. Hearing deficit is one of those issues where parents can mistakenly believe their child's hearing is okay or that their speech impediment is a problem not linked to a hearing problem. We do need a testing system.

Our preference in south-west Victoria is of course to introduce the full model that applies in many other parts of Victoria, based, as I say, on the Colorado model, with the early neonatal testing of all children born in south-west Victoria and follow-ups as appropriate. But

if that is not available because we cannot attract or keep audiologists in the hospitals where children are born in south-west Victoria, then we should at least reinstruct our maternal child health nurses to continue the testing at seven to eight months of age. At the moment we have no testing soon after birth, we have no testing at seven to eight months of age and we have a problem with children missing out and slipping right through the system.

I call on the Minister for Health to examine this issue and to take action to make sure that children born and raised in south-west Victoria have access to hearing testing.

Mordialloc Community and Youth Centre: funding

Ms MUNT (Mordialloc) — The matter I raise is for the Minister for Victorian Communities. I ask the minister to approve the current Community Support Fund (CSF) application for funding for the redevelopment of the Mordialloc Community and Youth Centre. This would be done in stages 1 and 2, and the project would expand the facility to include a multipurpose room, a consulting room, a drop-in lounge and a much larger foyer space which could double as an informal meeting space for social interaction, exhibitions and functions. The centre's application, which is currently with the CSF, is for \$289 787. With funding from the City of Kingston the centre could be redeveloped probably with both stages being done at the same time, which would be very good.

The building is tired and needs an update to provide the facilities required in the 21st century.

An honourable member interjected.

Ms MUNT — This member is never tired! The facilities are required for the more than 1500 families who use it each week. This excellent local community centre provides dance lessons — including belly dancing, jazz, ballet and oldies tap dancing — karate, gymnastics, child minding and child-care groups, to name a few of the activities. The centre is a gem in my community. It offers social interaction and activities for people of all ages and at all stages, ranging from two-year-old children to women in their 80s who do the oldies tap, and everyone enjoys it.

John Box, the president, the committee, the staff and the volunteers have worked tirelessly for the community centre. This funding would allow the upgrade to proceed and would make a great difference

to the centre and everyone who uses it. It would considerably open up access to the disabled in the process. This would be government money well spent. I hope the Minister for Victorian Communities can see fit to approve this CSF application and give the centre the opportunity to redevelop and fit itself out for the 21st century.

Neighbourhood Watch: police involvement

Dr SYKES (Benalla) — My issue is for the attention of the Minister for Police and Emergency Services. I ask that the minister assure all Victorians that there will be no reduction in the level of visible police involvement in the highly successful Neighbourhood Watch program. Neighbourhood Watch is an integral part of the fabric of Victorian communities, especially country communities. It stands alongside community groups such as the Country Fire Authority, the State Emergency Service, Landcare, the Country Women's Association, the Australian Red Cross and footy and netball clubs which enhance a sense of togetherness and provide wide-ranging benefits way beyond their formal charters.

Whilst a key focus of Neighbourhood Watch is to reduce the level of crime, people also seek from it a sense of security and wellbeing. People take great comfort in knowing that there are many sets of eyes looking at what is going on and that a network of people is ready to respond without question if something goes wrong — such as when a child goes missing or a husband is inexplicably late home from working in the back paddock. Neighbourhood Watch is also a very effective network for conveying information to communities on a wide range of issues. Its meetings are a great way for people to get together over a cuppa and engender a sense of belonging by sharing life's inevitable challenges and, of course, the enjoyment of good times.

Neighbourhood Watch was established in Victoria in 1983. There are now around 1300 participating groups, and recently the 1 millionth participating home was recognised. The program has also been expanded to include high-rise apartments, schools, universities, shopping centres, hospitals and airports.

Since the inception of Neighbourhood Watch, Victoria Police has played a vital, highly visible and much-appreciated role in the conduct and coordination of the program. Now there is significant community concern over reports such as those published in the *Herald Sun* that say that the Victoria Police may dump Neighbourhood Watch as a result of a review by senior police under the direction of the chief commissioner.

Just as members of the community are not prepared to accept wholesale cuts to the police schools involvement program, they are not going to accept a reduced visible police involvement in the Neighbourhood Watch program.

I therefore ask the minister to advise Victorians of the terms of reference of the review, who is conducting it and the time frame and to give the assurance that Victoria Police's support for Neighbourhood Watch will not be reduced.

Australian Securities and Investments Commission: procedures

Mr ROBINSON (Mitcham) — I raise a very serious issue for the attention of the Attorney-General. It relates to inadequacies in corporate registration procedures, which are currently overseen by the Australian Securities and Investments Commission (ASIC). I seek the Attorney-General's agreement to vigorously pursue reforms of the existing procedures in order to better protect Victorians, particularly through his representation of Victoria at the national Ministerial Council of Attorneys-General and other forums.

The issue has come to light again this week in an article in the *Age* of 18 October headed 'ASIC under fire for not listing criminals'. I briefly quote from that article:

Stephen Mark O'Neill, the man who ran the failed Money for Living retirees financing company while banned from corporate activities, says he presumed he was allowed to manage companies because his name was not on the official register of disqualified persons.

Mr O'Neill's claim highlights how people who are jailed for crimes of dishonesty, and are therefore automatically barred from managing companies, do not appear on the Australian Securities and Investment Commission's official list.

The register does not list people who have been jailed for fraud, dishonesty, theft or similar offences and who, because of their convictions, are not allowed to manage companies roles or serve as directors for five years after release from jail.

I am not sure that I would take Mr O'Neill's statements as a credible comment on this issue — —

Mr Perton — Does he donate to Progressive Business?

Mr ROBINSON — I would be very careful about asking who he donates to, because it might come back to bite the member for Doncaster. We have a situation where someone who has been jailed for dishonesty and subsequently banned from being a director has not appeared on the corporate regulator's list of disqualified persons. This is incredible.

It is not ASIC's only deficiency. It is still the case in Australia that genuine directors of businesses can find that they have been removed from the regulator's formal records as directors of their companies without their knowledge. I pointed this out to ASIC some six years ago. It is yet another gaping hole in procedures that has not been addressed.

Victorians rely heavily on ASIC as a source of advice. If it is not there to accurately tell Australians, and Victorians in particular, who is and is not permitted to act as a company director, then we ought to ask what it is doing. I urge the Attorney-General to take up the matter of a change in procedures at the earliest opportunity.

Warrandyte: traffic management

Mr HONEYWOOD (Warrandyte) — The matter I wish to raise is for the attention of the Minister for Transport. I request the minister to take action, through VicRoads, to comprehensively survey the community of Warrandyte, both north and south of the Yarra River, on options to alleviate local traffic congestion.

The minister will be well aware of my strong opposition to the outer ring-road being completed anywhere near the pristine bushland of the Warrandyte environment. I am pleased that the member for Yan Yean shares my view. The major issue here is that the current single-lane Warrandyte river-crossing bridge is far too congested for the increased local and regional through traffic.

The minister needs to be aware that any attempt at construction of a second river crossing in Warrandyte State Park reserve land will meet with strong opposition from a large proportion of the local community. Quite apart from the potential detrimental impact on the state park, a second river crossing could be used as a Trojan Horse for an outer ring-road route.

Separately, the addition of a second vehicle laneway in each direction on the only bridge in Warrandyte would require additional laneways at the roundabout adjacent to the bridge and in the main street, Yarra Street. This could only serve to potentially ruin the historic village atmosphere that many Warrandyte residents would regard as just as important as our unique bushland setting.

Given all the competing issues associated with increasing local traffic volumes, a VicRoads-auspiced survey, possibly in cooperation with the Manningham and Nillumbik councils, may well provide a much better indication of the views and traffic priorities of

local residents. Of course any such survey would have to be very carefully scrutinised as to the type of questions to be included and the number of responses that would be deemed to be satisfactory. The well-supported Warrandyte Community Association could have a strong role to play in assisting with the drafting of these questions and the compilation of responses.

I particularly raise this issue with the Minister for Transport, because ever since the government announced it was going to build an extension to the Eastern Freeway, which it turned into the Scoresby freeway then the Mitcham–Frankston freeway and now the EastLink tollway, it has said any other major road improvements in my electorate could be put on the backburner because this major freeway/tollway route was coming out to the outer eastern region. Enough time has elapsed for that excuse to no longer cut ice with my constituents. Whether they are in Plymouth Road, Croydon Hills, Dorset Road, Croydon or any number of major roads such as Warrandyte Road they have been waiting and their patience has diminished. They are sick of this 'Don't you worry, you are getting a freeway, so you do not need any money for road upgrades' excuse from the Bracks government. We need some action to be taken and some serious money to be spent on the Warrandyte traffic congestion issue.

Friends of Farm Vigano

Ms D'AMBROSIO (Mill Park) — I request that the Minister for Environment take action to secure the future of Farm Vigano in South Morang. Farm Vigano is a unique property, having been an important hub in the development of Melbourne's multiculturalism in the early-to-mid 20th century. Mario Vigano, founder of the famed Mario's restaurant in Exhibition Street, and Teresa Vigano, his wife and an artist of note, were part of the early history of Italian migration to Victoria.

'The Farm', as it was called by the family, was the place where the food for the restaurant was grown using sustainable agricultural practices. It was also the place where artists gathered to paint the beautiful surrounds of the Plenty Gorge. Many other protagonists in the hospitality industry and artistic and cultural communities also gathered to take part in discussion groups, soirees and significant charitable fundraising events. Like Victoria is today, the Farm was the place to be in Melbourne at that time.

The property has changed hands in the last two decades and was finally acquired by Parks Victoria to be absorbed into the Plenty Gorge parklands. The property is a symbol of the extraordinary contribution of one

Italian family to the development of multicultural Melbourne and Victoria's vibrant and nascent hospitality industry. Melbourne remains the best place in Australia for these two features thanks to the Vigano family and their descendents, including Mietta and Patricia O'Donnell. The property and its history are also a symbol of the contributions of all Italian migrants to Victoria's prosperity and cultural diversity. I am in no doubt that we are all the better for it, even if I do say so myself.

The Friends of Farm Vigano have long campaigned for the revival of the property and recently secured the agreement of Guy Grossi, of Grossi Florentino restaurant, to become the patron of Farm Vigano. I am confident that the Friends of Farm Vigano can make the property's redevelopment a successful and economically sustainable reality — having developed a solid business plan and with the development of a master plan now under way thanks to financial assistance from the Community Support Fund. The redevelopment will build and strengthen community by promoting health and wellbeing, will provide educational outcomes through kitchen and community gardens, will encourage and showcase the local arts and will be economically supported through a commercially run cafe and restaurant.

This is a golden opportunity for Victoria to secure this remarkable heritage icon for future generations. This is the Centre for Education and Research in Environmental Strategies, the Collingwood Children's Farm and the Abbotsford Convent all rolled into one. It has the avid support of the Plenty Valley Community Health Service, numerous local health and disability support groups, the Northern Melbourne Institute of TAFE, respected players within the heritage community and the City of Whittlesea. The list is too long for me to go on. Farm Vigano is a passion for my local community. Let all Victorians share in that passion.

Gippsland East electorate: sewerage schemes

Mr INGRAM (Gippsland East) — I raise a matter for the attention of the Minister for Water. The action I seek is that the government fund and build small town sewerage schemes at Coongulla, Glenmaggie and Dargo. These small towns are situated within the Shire of Wellington. Coongulla and Glenmaggie, as members may know, are on the banks of the Glenmaggie Dam. The area is a subdivision that is basically right on the banks of the dam, and because of the nature of soil around the dam it is very rocky and there is a limited ability for sewage or septic tank disposal.

There are a large number of blocks in that area right on the side of the dam that cannot be developed because they cannot have sewerage or septic tank systems put in. This is an environmental issue, because currently, particularly at times of peak load, there are discharges from the septic tanks that are around the lake that run into the Glenmaggie Dam, causing environmental problems. You could also argue that this is a human health issue, because downstream there are water off-takes for towns such as Maffra, so there are some issues there that need to be addressed. The area is part of the Gippsland Lakes catchment, and significant funding has been made available for nutrient reduction within that catchment, so it also fits in there.

Coongulla and Glenmaggie come under the operational area of Gippsland Water, which needs to facilitate these two small town sewerage schemes. Dargo, on the other hand, comes under the operational area of East Gippsland Water. It will really struggle to come up with an economic case, because it is a small town and there are limited opportunities there. However, it is on the headwaters of the Mitchell River, which is a heritage-listed river, and the local community also has trouble with discharge from septic tanks. There are some opportunities for the further development of residential allotments in the town, but because they are located on the edge of the flood plain in the catchment of the Mitchell River there are some issues that cannot be addressed by using septic tanks.

With a bit of thought and a bit of work by the government, Gippsland Water and East Gippsland Water these small town sewerage schemes could be funded and built. I seek action from the minister to make sure that does happen for those small towns.

Schools: broadband access

Mr PERERA (Cranbourne) — I raise a matter with the Minister for Education Services. The 2005–06 budget allocated \$89 million over four years to provide fibre-optic broadband access to every Victorian government school. I now call upon the minister to take action to inform me about the time frame for the VicSmart fibre-optic broadband rollout to each school in my electorate of Cranbourne.

All schools will be connected to the 4-megabit-per-second fibre-optic broadband network, which will improve dial-up and download speeds and allow much faster Internet access. It will also allow collaboration between schools and greater access to online learning materials. In some of the smaller regional schools broadband capacity will be increased by 60 per cent. School communities in my electorate are very excited about this government

commitment. It is an exciting initiative that will give Victorian government schools access to the best broadband technology of any Australian state. My office has received numerous calls from my constituents, and some school staff members have raised the matter directly with me during my school visits.

Broadband technology makes it easier and quicker for children to access and download information from the Internet. This will be a great motivation for the kids — —

Mr Perton interjected.

The ACTING SPEAKER (Mr Kotsiras) — Order! I do not need the assistance of the member for Doncaster.

Mr PERERA — This will be a great motivation for the kids to expand their skills and use the Internet more frequently.

The ACTING SPEAKER (Mr Kotsiras) — Order! The member for Cranbourne must ask for action, not for the minister to advise him of a date.

Mr PERERA — I call upon the minister to take action to inform schools in my electorate of the exact time frame for the broadband rollout. This will also help teachers to collect information. It is a fantastic initiative and is very much appreciated.

It will also enable teachers to develop innovative lesson plans that incorporate information and communications technology considerations. I would like to see it happening sooner rather than later, since a late installation will result in some of the students missing out on its usage. My electorate covers large areas made up of low-income families who may find it difficult to access state-of-the-art technology.

I am sure members of the government will look back at this initiative with pride long after they have left the stage. This is a very positive initiative, and I congratulate the Bracks government for adopting the vision and taking the initiative.

The ACTING SPEAKER (Mr Kotsiras) — Order! Again I ask the member for Cranbourne next time to ask for action rather than simply seeking advice on a date.

Cardinia Primary School: portable classrooms

Mr PERTON (Doncaster) — I hope the Minister for Education Services comes into the chamber to answer the matter raised by the member for Cranbourne, because I have a matter for her as well. I

raise an issue on behalf of the Cardinia Primary School. I ask the minister to take action to implement promises made by the present Minister for Education and Training to remove the four mod 2 portables at the school and replace them with mod 5s.

This is an excellent school which currently has 136 children; with new enrolments it will grow to 155 next year. After much political agitation, it received a capital upgrade approximately five years ago. In 2002 the issue of the four portable classrooms was raised, and it was the then Independent member for Gippsland West who called upon the now Minister for Education and Training to replace the four portables with two mod 5s.

Ms Munt interjected.

Mr PERTON — I am glad the member for Mordialloc has raised the issue, because one of the portables actually has asbestos in it. That issue was raised by Mr Gary Rowe, the then member for Cranbourne, in 2000.

An honourable member — A good member.

Mr PERTON — He was a good member. The issue was not raised again until 2002 by the then member for Gippsland West, Susan Davies. Funnily enough in September and October 2002, just weeks before the election, the member for Gippsland West came into the house and extracted a promise from the Minister for Education and Training to replace the portables. The minister and the education bureaucrats wrote to parents and the school promising that the portables would be removed and replaced as soon as the budget became available.

We are now three years down the track and the asbestos is still in the portable classrooms. We are not far away from the next election, and it is time for the government to implement this promise. This is a fine school, but children are at risk because of a portable classroom that could be affected by asbestos.

This is so typical of schools around the state. The Auditor-General, some two years ago, said there were 1000 portables around the state that should have been removed. None of those portables has been removed, but there is no school more in need than Cardinia Primary School. I call upon the minister to come in to undertake the implementation of the promise made by the former minister in 2002 — —

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

Elections: ballot papers

Ms CAMPBELL (Pascoe Vale) — I raise a matter for the attention of the Attorney-General. The matter I ask him to act on is to investigate and give assurances to this Parliament that the Victorian Electoral Commission (VEC) has clear and, more importantly, well-communicated and actioned instructions to its own staff and any casual employees or contractors on the range of variants in the writing of the figure '1' on ballot papers.

As a scrutineer in the last Moreland City Council elections, I am conscious that there were large variations when deciphering the figure '1' on the ballot papers. For electoral workers, especially those who were unfamiliar with '1' as written by people who have an Arabic or Asian community background, there was some unnecessary confusion.

It is absolutely essential that any election must be run fairly and that the results must be clearly credible and have integrity with regard to the process used to obtain them. This Parliament is very clear, as is this government, that we need to have open, honest and transparent elections — and anything that casts doubt on that should be rectified.

It is of itself a problem when a manual count is done; when a computer count is done the problem is compounded, because it is extremely difficult for scrutineers in a room with up to 30 or 40 computer operators to physically scrutinise each and every ballot paper as it is entered. Under the act it is clear that scrutineers have to fill in various forms and must abide by the act. It is important that the VEC and those charged with running the elections at municipal or state level absolutely ensure that the intention of the voter — and the intention of this Parliament — is enacted.

There is a solution, and I believe that with communication between the Attorney-General and the VEC improved procedures for a computer count can be enacted. For example, the act could be looked at in terms of dispatching to the data entry centre the number of formal and informal ballot papers to be determined by that mechanical tally machine and signed off by scrutineers, if present.

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

Responses

Mr HOLDING (Minister for Police and Emergency Services) — The member for Benalla raised a matter

concerning the Neighbourhood Watch program and a current reassessment of the arrangements that exist in relation to that program and what the impact of that might be.

The member is correct insofar as he informed the house that the program was originally established in Victoria in 1983. It was borrowed from a successful program being used in the United States of America at the time, and Victoria trialled it originally in the Seaford area, where it was used in partnership with local community groups and Victoria Police to address particular community concerns that existed around personal security and community safety in that area.

The program was seen to be very successful, and since that time Victoria Police has been a significant supporter of the program. At a Neighbourhood Watch state conference that I attended on 8 October the support that exists for Neighbourhood Watch in Victoria was positively contrasted with what exists in other states and territories. Among all the states and territories in Australia and in New Zealand — representatives from different police organisations attended the Victorian state conference — it was recognised that Victoria Police is the best supporter of Neighbourhood Watch or its equivalent.

We are strong supporters of Neighbourhood Watch, and Victoria Police is committed to continuing that support. Indeed, the Chief Commissioner of Police spoke at that conference and reiterated Victoria Police's ongoing commitment to supporting Neighbourhood Watch. It is the case that a small research project has been undertaken to assess the current support levels and to reflect on how Victoria Police can most effectively continue to support Neighbourhood Watch going forward.

From the support indicated by the chief commissioner it is clear that Victoria Police will maintain the present level of support for Neighbourhood Watch programs, and I support and am encouraged by that ongoing commitment from Victoria Police. Of course we are always looking at ways in which we can improve community safety and ways in which we can improve the interface between Victoria Police and local communities to ascertain the best way of delivering crime prevention and the wider program. Victoria Police is committed to maintaining that strong support for Neighbourhood Watch. It is committed to making sure that the program continues to be delivered in the most effective way, but it is also committed to reviewing and reassessing that support to ensure that it continues to be as effective as it can be.

In that vein, there are no terms of reference for the review of Neighbourhood Watch. It is not that sort of formal review that has been undertaken, nor has there been a body commissioned to conduct a formal review of the program. I understand that some of the conclusions of the work that has been done have been passed on to the Chief Commissioner of Police, and I suspect Victoria Police will outline its ongoing support for Neighbourhood Watch in the not-too-distant future. But a formal review of the type that would have involved terms of reference with a body commissioned to undertake that task is not the approach that has been used. I thank the member for Benalla both for his support of Neighbourhood Watch and those sorts of initiatives in his local area and for raising the matter here this evening.

The ACTING SPEAKER (Mr Kotsiras) —
Order! I invite the minister to respond to the member for South-West Coast for the Minister for Health; the member for Mordialloc for the Minister for Victorian Communities; the member for Mitcham for the Attorney-General; the member for Doncaster for the Minister for Education Services; the members for Mill Park and Gippsland East for the Minister for Environment, who is also the Minister for Water; the member for Cranbourne for the Minister for Education Services; the member for Warrandyte for the Minister for Transport; and the member for Pascoe Vale for the Attorney-General.

Mr HOLDING (Minister for Police and Emergency Services) — Acting Speaker, I have made extensive notes of the matters raised by members with the various ministers you identified, and I plan to pass the matters on to them for their responses directly.

The ACTING SPEAKER (Mr Kotsiras) —
Order! The house is now adjourned.

House adjourned 6.14 p.m.

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Tuesday, 18 October 2005

Innovation: Australian Synchrotron

243. Mr KOTSIRAS to ask the Minister for Innovation — has the Government sought financial assistance or support from the Commonwealth Government in relation to the construction of the Synchrotron or for beamline funding; if so, when was this request made.

ANSWER:

I am informed as follows:

On 20 January 2004 CSIRO's committed of \$5 million in beamline funding.

Community services: Mansfield Autistic Centre travelling teacher service

358(a). Mr PERTON to ask the Minister for Community Services —

- (1) Have some families been on the early intervention waiting list for the Service for over two years.
- (2) What is the Government doing to eliminate waiting lists for these families in such a crucial time for their children.

ANSWER:

I am informed that:

- (1) Mansfield Autistic Centre has indicated that there are currently 3 children who have been on their waiting list for Visiting Teacher Services for over 2 years.
- (2) The Government through *A Fairer Victoria: Creating Opportunity and Addressing Disadvantage* Policy allocates a further \$16.5 million over four years, from the 2005–2006 financial year, to provide additional Early Childhood Intervention Services to a further 460 children and families and new Flexible Support Packages to 355 children and families, every year, including those with autism, speech and behaviour problems, to receive appropriate support and intervention.

These funds have been distributed to Regions based on disability incidence data. Of these funds, Hume Region receives approximately \$122,519 per annum to provide additional 25 places for children with a disability or developmental delay, from birth and prior to school entry, to receive Early Childhood Intervention Services. Further, Hume Region receives approximately \$100,000 per annum to provide 20 new Flexible Support Packages to support children with a disability or developmental delay and their families. Packages will be tailored to meet the particular needs of children and families and geared toward helping families to better care for their child with a disability, easing some of the additional pressures these families sometimes feel.

In 2004/05, this Government has also provided a one off non-recurrent allocation of \$40,000 to Mansfield Autistic Centre to reduce waiting times for children under the age of six years, waiting for its Visiting Teacher Services. This funding has enabled services and support to be provided to 17 children who were previously on the waiting list.

In 2003/04, the Government also has allocated approximately \$400,000 over four years to implement the *Autism Secondary Consultation and Training Strategy* to increase the knowledge and skills of early childhood staff to better support children with autism and their families in local communities.

Community services: Mansfield Autistic Centre travelling teacher service

- 359(a).** Mr PERTON to ask the Minister for Community Services — are there any plans for additional government support to employ more travelling teachers for the Service to eliminate waiting lists, so families can expect the service they deserve and need for immediate early intervention.

ANSWER:

I am informed that:

Funding for the Mansfield Autistic Centre's Travelling Teacher Service has more than doubled since 2000–01. In addition, a once only grant of \$40,000 was paid to Mansfield Autistic Centre in early 2005 to support children with autism waiting for services. The Government recognises that children with autism spectrum disorders present particular challenges to services across Victoria. There are no immediate plans to directly allocate funds for more travelling teachers. However, the contribution of Mansfield Autistic Centre to meeting the challenge of autism is recognised and its needs will be considered in the context of Statewide service needs.

Education services: emergency notifications

- 467.** Mr PERTON to ask the Minister for Education Services — how many emergency notifications were sent by Emergency and Security Management where the type of incident included the word 'assault' in 2001, 2002, 2003 and 2004 to each of —

- (1) Barwon South Western Region.
- (2) Central Highlands Wimmera Region.
- (3) Gippsland Region.
- (4) Goulburn North Eastern Region.
- (5) Loddon Campaspe Mallee Region.
- (6) Eastern Metropolitan Region.
- (7) Northern Metropolitan Region.
- (8) Southern Metropolitan Region.
- (9) Western Metropolitan Region.

ANSWER:

I am informed as follows:

The diversion of resources required to answer the question is not justified.

Education services: Shannon's Way Pty Ltd

- 596(i).** Ms ASHER to ask the Minister for Education Services with reference to Shannon's Way Pty Ltd —

- (1) What payments have been made to the company by the Minister's department or private office or any agency or statutory body under the Minister's administration since 28 October 2003.

- (2) On what dates were the payments made.
- (3) Briefly describe the project for which payment was made.

ANSWER:

I am informed as follows:

No payments have been made to Shannon's Way Pty Ltd by my department, private office or statutory body under my administration since 28 October 2003.

Education services: category 2 scholarships

- 728.** Mr PERTON to ask the Minister for Education Services with reference to the Teaching Scholarship Scheme announced in May 2005 that provides '\$4,000 up-front for teachers choosing to teach either in a hard-to-staff school or a hard-to-staff subject area in a rural school, plus a \$2,000 retention bonus' — could the Minister provide a list of the hard-to-staff schools and a hard-to-staff subject areas.

ANSWER:

I am informed as follows:

A list of hard-to-staff schools and hard-to-staff subjects can be found on the Department's teaching web site at <http://www.teaching.vic.gov.au/news/scholarship/benefit.htm>.

Education services: category 3 scholarships

- 729.** Mr PERTON to ask the Minister for Education Services with reference to the Teaching Scholarship Scheme announced in May 2005 that provides '\$4,000 up-front to teachers volunteering for a rural school, a hard-to-staff subject in a school within an outer metropolitan growth area, such as Cardinia, Casey, Hume, Melton or Whittlesea, or a hard-to-staff subject in provincial Victoria' — could the Minister provide a list of the hard-to-staff subjects in the outer metropolitan areas.

ANSWER:

I am informed as follows:

The list of hard-to-staff subject areas can be found at the Department's web site at <http://www.teaching.vic.gov.au/news/scholarship/benefit.htm>

Education services: schools — information technology

- 744.** Mr PERTON to ask the Minister for Education Services with reference to the letters and emails received by the Minister from Sue Reiffel, Technical Support to Schools Program coordinator for the Portland Network, and Paul Jorgensen, Convenor, East Gippsland Technical Support Schools Program and Bairnsdale Secondary College, all of which state that with additional responsibilities heaped on technicians, technicians cannot effectively support the increasing technical needs of staff and that schools are being hindered in the development of their IT capacity — what response has the Minister given to these complainants.

ANSWER:

I am informed as follows:

Responses have been provided to all correspondence addressed to me regarding this matter, including your adjournment debate of 14 June 2005.

Victorian communities: Future of Work

785. **Mr PERTON** to ask the Minister for Victorian Communities — has the Department of Victorian Communities engaged Future of Work to provide any advice and/or services to the Department; if so, what advice and/or services.

ANSWER:

I am informed that/as follows:

The Department for Victorian Communities has not engaged Future of Work to provide any advice and/or services to the Department.

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Wednesday, 19 October 2005

Major projects: VicUrban merger

530. Ms ASHER to ask the Minister for Major Projects with reference to the merger of the Urban and Regional Land Corporation (URLC) and the Docklands Authority to form VicUrban —

- (1) Prior to the merger was an audit performed of the —
 - (a) URLC;
 - (b) Docklands Authority.
- (2) Prior to the merger what financial studies were undertaken by —
 - (a) URLC;
 - (b) Docklands Authority.
- (3) How many staff from the former URLC have left VicUrban.

ANSWER:

As at the date the question was raised, the answer is:

Melbourne Docklands Authority was merged with the Urban and Regional Land Corporation in August 2003 to form VicUrban which operates under the provisions of the Victorian Urban Development Authority Act 2003.

Audits of the former entities for the 13 month period ending 31 July 2003 were undertaken and completed by the Auditor General.

The appropriate financial reports were undertaken, as required by the Victorian Urban Development Authority Act 2003, prior to the merger.

As at the date of the question, fifteen former URLC staff had left the employment of VicUrban since the merger.

Education services: Haystac Public Affairs Pty Ltd

595(i). Ms ASHER to ask the Minister for Education Services with reference to Haystac Public Affairs Pty Ltd —

- (1) What payments have been made to the company by the Minister's department or private office or any agency or statutory body under the Minister's administration since 26 August 2003.
- (2) On what dates were the payments made.
- (3) Briefly describe the project for which payment was made.

ANSWER:

I am informed as follows:

No payments have been made to Haystac Public Affairs Pty Ltd by my department, private office or statutory body under my administration since 26 August 2003.

Education services: Social Shift Pty Ltd

597(i). Ms ASHER to ask the Minister for Education Services with reference to Social Shift Pty Ltd —

- (1) What payments have been made to the company by the Minister’s department or private office or any agency or statutory body under the Minister’s administration since 26 August 2003.
- (2) On what dates were the payments made.
- (3) Briefly describe the project for which payment was made.

ANSWER:

I am informed as follows:

No payments have been made to Social Shift Pty Ltd by my department, private office or statutory body under my administration since 26 August 2003.

Education services: career change program

647. Mr PERTON to ask the Minister for Education Services —

- (1) What are the names of each of the schools participating in the program.
- (2) What are the specialist skills of the trainee teacher in each school participating in the program.

ANSWER:

I am informed as follows:

Schools participating in the current intake of the Career Change Program, together with specialist skills of the trainees at each of the schools are as follows:

<i>School</i>	<i>Subject Area(s)</i>	<i>Professional Background</i>	<i>Formal Qualifications</i>
Chaffey SC (Mildura) Trainee (1) Trainee (2)	Technology Studies LOTE (Italian)	Plumber Adult Education teacher	Trade Degree in Italian
Cobden TS Trainee (1) Trainee (2) Trainee (3)	Technology Studies Music Technology Studies	Prosthetist Musician Upholsterer	Degree in Prosthetics Degree in Music Trade
Cohuna SC	Technology Studies (Automotive)	Motor mechanic	Trade
Collingwood College	Technology Studies (Food)	Chef	Trade
Corio Bay SC	Technology Studies	Aircraft technician (mainly with Navy)	Trade
Corryong College	Technology Studies	Carpenter	Trade

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<i>School</i>	<i>Subject Area(s)</i>	<i>Professional Background</i>	<i>Formal Qualifications</i>
Euroa SC	Technology Studies (Automotive)	Motor mechanic (mainly with Army)	Trade
Hillcrest SC (Broadmeadows)	Technology Studies (Automotive)	Motor mechanic	Trade
Koo Wee Rup SC	Technology Studies	Motor mechanic	Trade
Kyabram SC	Technology Studies	Carpenter	Trade
Lowanna College (Moe) Trainee (1)	Technology Studies (Automotive)	Engineer	Degree in Engineering Trade
Trainee (2)	Technology Studies	Auto Electrician	
Murrayville Community College	Technology Studies	Laboratory technician	Trade
Orbost SC Trainee (1)	Technology Studies	Motor mechanic	Trade
Trainee (2)	Technology Studies (Food)	Chef	Trade
Rainbow SC	Information Technology	IT professional	Degree in IT
Robinvale SC	Technology Studies	Engineering tradesperson (mainly in mining industry)	Trade
Roxburgh College	Technology Studies (Automotive)	Automotive instructor / TAFE teacher	Trade plus Degree in Training & Development
Seymour Technical HS	Mathematics / Chemistry	Industrial chemist	Degree in Chemistry
Swan Hill College Trainee (1)	Technology Studies (Automotive)	Motor mechanic	Trade
Trainee (2)	Mathematics/ Chemistry	Industrial chemist	Degree in Chemistry & Biology
Tallangatta SC	LOTE (Indonesian)	Uni Lecturer (Native Speaker)	Degree in Law
Wangaratta HS	LOTE (Italian)	Information Technology Professional (Native Speaker)	Degree in Information Technology
Yarram SC	Music	Musician (Instrumental Music Teacher)	Degree in Music

Major projects: Melbourne Convention Centre

693. Ms ASHER to ask the Treasurer for the Minister for Major Projects with reference to additional car parking spaces in the new redevelopment —

- (1) Will additional spaces be provided; if not, why not.
- (2) If additional spaces will be provided, what is the total number of new spaces being allocated.

- (3) If it is yet to be decided whether additional spaces will be provided, when will interested parties be able to learn of the precise number of new spaces.

ANSWER:

As at the date the question was raised, the answer is:

The precise number of new car park spaces available in the Melbourne Convention Centre Development will be known once a developer has been appointed and the approval process completed.

Education services: schools — hard-to-staff subjects/schools

727. Mr PERTON to ask the Minister for Education Services with reference to the Teaching Scholarship Scheme announced in May 2005 that provides ‘\$5,000 up-front for teachers volunteering to teach a hard-to-staff subject in a hard-to-staff school’ —

- (1) Could the Minister provide a list of hard-to-staff schools.
- (2) Could the Minister provide a list of the hard-to-staff subjects in hard-to-staff schools.
- (3) How many Category 1, 2, 3 and 4 scholarships will be awarded in each of —
 - (a) 2005;
 - (b) 2006.

ANSWER:

I am informed as follows:

A list of hard-to-staff schools and hard-to-staff subjects can be found on the Department’s teaching web site at <http://www.teaching.vic.gov.au/news/scholarship/benefit.htm>.

It is expected that a total of 180 scholarships will be awarded in 2005–06.

Education services: category 4 scholarships

730. Mr PERTON to ask the Minister for Education Services with reference to the Teaching Scholarship Scheme announced in May 2005 that provides ‘\$3,000 up-front for teachers volunteering for a metropolitan school with a vacancy in maths or special education, or any other vacancy not falling into [Category 1, 2 or 3] where the school can demonstrate recruitment difficulties’ — could the Minister provide a list of the metropolitan schools which have a maths vacancy.

ANSWER:

I am informed as follows:

Schools which have advertised a maths vacancy under the enhanced Teaching Scholarship Scheme are: Carrum Downs Secondary College (2 vacancies), Rosebud Secondary College and St Albans Secondary College.

Environment: Sandringham Beach

735. Mr THOMPSON to ask the Minister for Environment with reference to the need for beach renourishment forming part of the cliff remediation works for the protection of the cliff face proximate to Royal Avenue and Southey Street in Sandringham —

- (1) Why has there been a five-year delay in the commencement of works.

- (2) What are the current plans of the Department of Sustainability and Environment in response to widespread community concerns regarding the original scoping of the project.
- (3) When will the community and the City of Bayside be informed of the timetable for works.
- (4) What plans does the government now have to incorporate beach renourishment as part of the project.

ANSWER:

I am informed that:

- (1) The resolution of coastal erosion problems commonly takes a significant period of time because they are often complex, involve a range of issues which require detailed investigations, frequently involve conflicting views, and may necessitate a range of community consultations. In this instance I have taken advice from the Victorian Coastal Council and considered the views of the local community. On 24 August 2005 I announced that a decision had been made to renourish the beach, build a small groyne and to naturally fill and revegetate the base of the cliffs.
- (2) In accordance with my recent announcement the Bracks Government has listened to the concerns of the local community.
- (3) In accordance with my recent announcement the Department of Sustainability and Environment is presently proceeding in conjunction with the Bayside City Council with design and construction of a groyne, a beach renourishment and natural filling and revegetation of the base of the cliffs. When the Department has prepared a suitable design it will prepare a works timetable in consultation with the Bayside City Council. As the manager of the foreshore reserve the Bayside City Council will be responsible for communications with the community regarding the works timetable.
- (4) In accordance with my recent announcement site works will include beach renourishment.

Police and emergency services: Highett courthouse

745. Mr THOMPSON to ask the Minister for Police and Emergency Services with reference to the announcement by the Attorney-General of the development of the \$28 million court house in Highett to be completed in 2007 and noting that the design of the new court house provides the potential for future co-location with Victoria Police — what are the implications for —

- (1) The development of Sandringham Police Station.
- (2) The development of Cheltenham Police Station.
- (3) The utilisation of the Moorabbin Police complex on the Nepean Highway.

ANSWER:

I am advised that:

The implications of the new \$28.2 million court complex at Moorabbin will be to improve access to justice in the southern metropolitan area.

Service delivery in general will improve. Police services in Sandringham are coordinated from Hampton Police Station, which services the Bayside Police District. The Cheltenham Police Station is located within the Kingston Police District and has undergone a range of minor upgrade works. The Moorabbin Police Station (completed in February 1994) is located on the Nepean Highway in Moorabbin, within the Kingston Police District. The existing building is functional and services will continue to be provided from this location.

Tourism: Anne Keating Consulting

857. Mr DIXON to ask the Minister for Tourism with reference to Anne Keating Consulting who were engaged as consultants by the Department to provide advice on aviation matters for the development of Victoria's International Tourism Strategy — what were the key findings of this consultancy which commenced on 30 May 2005 and was due for completion on 30 August 2005.

ANSWER:

I am informed as follows:

Anne Keating has been engaged by Tourism Victoria to review and provide detailed written commentary on a draft of *Victoria's International Tourism Strategy*.

Ms Keating is a well-renowned industry figure within the aviation field and has previously worked with leading international airlines such as United. Ms Keating's expertise has been sought to ensure that a cross section of issues and views in relation to Victoria's aviation development are noted through the strategic development process.

The draft of *Victoria's International Tourism Strategy* is currently being reviewed internally by Tourism Victoria. It is now expected that the consultant will advise on the draft document and provide commentary in October 2005. No additional consultancy costs are expected to be incurred due to this slight delay in completing this project.

Tourism: Insight and Strategy Pty Ltd

858. Mr DIXON to ask the Minister for Tourism with reference to Insight and Strategy Pty Ltd who were engaged as consultants by the Department to provide advice on tourism trends for the development of Victoria's International Tourism Strategy — what were the key findings of this consultancy which commenced on 1 May 2005 and was due for completion on 30 August 2005.

ANSWER:

I am informed as follows:

The principal consultant at Insight and Strategy Pty Ltd is Mr Ken Boundy, who has extensive expertise in international marketing. Mr Boundy is the former Managing Director of Tourism Australia, the primary organisation responsible for promoting Australia internationally.

Mr Boundy prepared a trend report as part of his consultancy for *Victoria's International Tourism Strategy*.

I am pleased to report that this project has provided an array of information on key global trends of relevance to the Victorian tourism industry. These include:

- elevated emphasis on providing a safe and secure environment for tourists in the wake of global terrorist scares;
- intensified global competition for the lucrative tourism dollar;
- revolutionised global technology with more tourists gathering information and making decisions about travel on the internet;
- shifts within traditional distribution channels, with increased vertical integration of key trade players;
- pressures on consumers discretionary time and income, with a shift towards short haul and short break travel with reduced lead times for booking;
- increased independent and flexible travel with a demand for more experiential & authentic tourism products;
- growth in low cost airlines and increased consumer price sensitivity for travel products;
- emerging growth from high yield segments such as the business events and education sectors; and
- significant future growth predicted from new markets such as China and India.

Mr Boundy will also be involved in critiquing the draft strategy in October, once the internal review is completed, and no additional consultancy costs are expected due to the slight delay in this project.

QUESTIONS ON NOTICE

*Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Assembly.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.*

Thursday, 20 October 2005

Police and emergency services: erratic/dangerous driving

388(a). Mr MULDER to ask the Minister for Police and Emergency Services —

- (1) How many reports of persons aged 65 or over claimed to be driving erratically or dangerously have Victoria Police submitted to VicRoads since 1 January 2003.
- (2) How many of these reports emanated from driving instructors.
- (3) How many driving licences held by persons aged 65 years or over have been suspended or had conditions placed on them for alleged erratic or dangerous driving since 1 January 2003.

ANSWER:

I am advised that:

- (1) Since 1 January 2003, VicRoads has received approximately 600 reports from Victoria Police where drivers 65 and over have been reported for 'poor driving.'
- (2) This is a licensing/training issue and Victoria Police do not have this information.
- (3) This is a licensing issue and as such Victoria Police does not maintain statistics on this.

Environment: Middle Park Beach

637. Mr THOMPSON to ask the Minister for Environment with reference to the recent storms in Melbourne during February and the erosion of Middle Park Beach —

- (1) Noting the quick response to address erosion and storm damage following the media attention generated at the loss of a beach in a Labor electorate, when will the beach at Red Bluff, Sandringham, attract similar action.
- (2) Noting the paucity of funding that the Government has committed to beach renourishment since being elected in 1999, when will the Minister reinstate the allocation of recurrent funding for protective works and renourishment of Port Phillip Bay beaches.

ANSWER:

I am informed that:

- (1) The storms in February 2005 resulted in considerable impacts on Port Phillip Bay's beaches and assets. These impacts were more severe along the north-eastern portion of the coastline and a quick response was required at Middle Park beach. Less severe erosion occurred at the Royal Avenue beach in Sandringham and immediate action was not required. Since then I have taken advice from the Victorian Coastal Council and considered the views of the local community. On 24 August 2005 I announced that funds of \$1.2 million have been allocated to renourish the Royal Avenue beach, build a small groyne, and naturally fill and revegetate the base of the cliffs.

- (2) In the last four years the Bracks Government has provided \$2 million p.a. for coastal and local port risk mitigation programs. In the 2005/06 State Budget the Bracks Government has committed to a \$20.2 million plan to improve Victoria's coastal environments. Under this plan \$9 million will be provided for repair of assets such as seawalls, groynes, and piers, and to renourish priority beaches around Port Phillip Bay. This funding will enable long term solutions to the erosion problems at the Middle Park and Royal Avenue beaches.

Agriculture: Melbourne showgrounds

- 653(a).** Ms ASHER to ask the Minister for Agriculture — what is the total square metre allocation for pavilion space in the new design for the Showgrounds project.

ANSWER:

I am informed that:

The Bracks Government is committed to the upgrading and redevelopment of the Royal Agricultural Society Showgrounds in partnership with the Royal Agricultural Society. This has been reflected in the outstanding plans for the new look showgrounds.

In relation to [your] question on 'pavilion area', it is unclear as to precisely what your question relates to. 'Pavilion area' has been considered as permanent built covered space proposed for display, exhibition and spectator facilities purposes.

Under this definition there will be 47,754 square metres of pavilion area.

Education services: schoolchildren — insurance

- 761(a).** Mr PERTON to ask the Minister for Education Services —

- (1) What, if any, insurance companies offer insurance to parents for injuries to children while at school.
- (2) What instructions does the Department of Education and Training give to principals and schools to make parents aware of the need to insure children for injuries suffered at school.

ANSWER:

I am informed as follows:

The Department of Education and Training is aware of two insurance companies that offer insurance to parents for injuries to children while at school. They are JUA Underwriting Agency Pty Ltd and Willis Australia Ltd.

The Department has worked with the Association of School Councils in Victoria to provide principals and school councils with information for their school communities about personal accident insurance.

The Department is placing information about the availability of student accident insurance into the *Bringing Learning to Life* information handbook. This handbook is provided to the families of all students commencing Prep and Year 7 at the start of the school year.

Education services: schools — electrical safety

- 763.** Mr PERTON to ask the Minister for Education Services —

- (1) How many Victorian State Schools have electricity safety switches installed.

- (2) How many teachers in Victorian State Schools received electrical shocks in 2004 and what injuries were sustained.
- (3) How many students in Victorian State Schools received electrical shocks in 2004 and what injuries were sustained.

ANSWER:

I am informed as follows:

The Department of Education and Training does not keep specific information regarding the number of electricity safety switches in Victorian state schools. Electricity safety switches are installed to school switch boards when building upgrades are performed or when a switchboard is being upgraded.

The Department does not keep specific information regarding the number of Victorian state schools students and teachers that received electrical shocks in 2004.

Education services: computer recycling project

764. Mr PERTON to ask the Minister for Education Services with references to computers that were received by the Department of Education and Training from the Kangan Batman TAFE Training and Employment Services Australia (TESA) Computer Recycling Project in Box Hill —

- (1) How many computers did the Department receive.
- (2) To which schools have the computers been distributed.
- (3) What is the cost to the Department.

ANSWER:

I am informed as follows:

The Department of Education and Training has not received any computers from Kangan Batman TAFE Training and Employment Services Australia (TESA) Computer Recycling Project in Box Hill.

Education services: student teacher practicum scheme

793. Mr PERTON to ask the Minister for Education Services with reference to student teachers participating in the STPS in each of 2004 and 2005 —

- (1) How many student teachers participated for each year in —
 - (a) rural schools;
 - (b) outer metropolitan schools.
- (2) For each year, what schools did they attend.
- (3) For each year, what total sum was paid to student teachers participating in the STPS in —
 - (a) rural schools;
 - (b) outer metropolitan schools.

ANSWER:

I am informed as follows:

QUESTIONS ON NOTICE

The numbers of student teachers participating in the Student Teacher Practicum Scheme and the sums paid in each year are as follows:

<i>Location</i>	<i>2004-05</i>		<i>2005-06*</i>	
	No. students	Total payments	No. students	Total payments
Rural	196	\$171,300	144	\$122,100
Outer Metro	14	\$4,200	4	\$1,100

* Data as at 9 September 2005. A significant number of subsidised practicums are scheduled for Term 4.

The schools in which student teachers receiving a practicum allowance were placed in both years are listed in the attachment.

(See next page)

2004–05 Practicum Data

Rural Practicums

Placement school	Subsidy	School type	School status	No of Pract
Alexandra HS	\$900	Secondary	rural	1
Alexandra SC	\$900	Secondary	rural	1
Alexandra SC	\$900	Secondary	rural	1
Alexandra SC	\$900	Secondary	rural	1
Alpine School	\$900	Secondary	rural	1
Alpine School	\$900	Secondary	rural	1
Apollo Bay P 12	\$900	Pri/Sec	hard to staff	1
Apollo Bay P–12	\$900	Pri/Sec	hard to staff	1
Apollo Bay P–12	\$900	Pri/Sec	hard to staff	1
Apollo Bay P–12	\$900	Pri/Sec	hard to staff	1
Ararat SC	\$900	Secondary	rural	1
Bacchus March SC	\$900	Secondary	rural	1
Baimbridge College	\$900	Secondary	rural	1
Baimbridge College	\$900	Secondary	rural	1
Baimbridge College	\$900	Secondary	rural	1
Baimbridge College	\$900	Secondary	rural	1
Baimbridge College	\$900	Secondary	hard to staff	1
Bairnsdale PS	\$900	Primary	rural	1
Bairnsdale SC	\$300	Secondary	rural	1
Balmoral HS	\$900	Secondary	rural	1
Bellarine SC Drysdale Campus	\$900	Secondary	rural	1
Bellarine SC Ocean Grove Campus	\$900	Secondary	rural	1
Benalla College	\$900	Secondary	rural	1
Benalla West PS	\$900	Primary	rural	1
Beveridge PS	\$900	Primary	rural	1
Bogong Outdoor Ed Centre	\$900	Camp	rural	1
Bolinda PS	\$900	Primary	rural	1
Boort SC	\$900	Secondary	rural	1
Boort SC	\$900	Secondary	rural	1
Bright P–12	\$900	Pri/Sec	rural	1
Bright P–12 College	\$900	Pri/Sec	rural	1
Bright P–12 College	\$900	Pri/Sec	rural	1
Bright P–12 College	\$900	Secondary	rural	1
Bundarra PS	\$900	Primary	rural	1
Camperdown College	\$900	Pri/Sec	rural	1
Carisbrook PS	\$300	Primary	rural	1
Casterton PS	\$900	Primary	rural	1
Casterton SC	\$900	Secondary	hard to staff	1
Castlemaine SC	\$900	Secondary	rural	1
Charlton College	\$900	Pri/Sec	hard to staff	1
Charlton College	\$900	Secondary	hard to staff	1
Cobram Consol School	\$900	Primary	rural	1
Cobram SC	\$900	Secondary	rural	1
Cohuna SC	\$900	Secondary	hard to staff	1
Cohuna SC	\$900	Secondary	hard to staff	1
Colac HS	\$900	Secondary	rural	1
Colac HS	\$900	Secondary	rural	1
Colac PS	\$900	Primary	rural	1
Corryong SC	\$900	Secondary	hard to staff	1
Cowes PS	\$900	Primary	rural	1
Dawes Rd PS	\$300	Primary	rural	1
Daylesford SC	\$900	Secondary	rural	1
Dimboola Mem SC	\$900	Secondary	hard to staff	1
Dimboola Memorial SC	\$900	Secondary	hard to staff	1

QUESTIONS ON NOTICE

Placement school	Subsidy	School type	School status	No of Pract
Dimboola PS	\$900	Primary	hard to staff	1
Donald HS	\$900	Secondary	hard to staff	1
Donald HS	\$900	Secondary	hard to staff	1
Echuca HS	\$900	Secondary	rural	1
Echuca SC	\$300	Sec	rural	1
Euroa SC	\$900	Secondary	rural	1
Euroa SC	\$900	Secondary	rural	1
Falls Creek PS	\$900	Primary	rural	1
Falls Creek PS	\$900	Primary	rural	1
Falls Creek PS	\$900	Primary	rural	1
Golden Square SC	\$900	Secondary	provincial city	1
Goroke P-12	\$900	Pri/Sec	hard to staff	1
Goroke P-12 College	\$900	Pri/Sec	hard to staff	1
Hamilton Nth PS	\$900	Primary	rural	1
Haslem PS	\$900	Primary	rural	1
Horsham College	\$900	Secondary	rural	1
Horsham College	\$900	Secondary	rural	1
Horsham College	\$900	Secondary	rural	1
Horsham College	\$900	Secondary	rural	1
Horsham PS	\$900	Primary	rural	1
Horsham West Haven PS	\$900	Primary	rural	1
Irymple SC	\$900	Secondary	rural	1
Irymple SC	\$900	Secondary	rural	1
Irymple SC	\$900	Secondary	rural	1
Irymple SC	\$900	Secondary	rural	1
Kaniva College	\$900	Pri/Sec	hard to staff	1
Kaniva College	\$900	Pri/Sec	hard to staff	1
Kaniva College	\$900	Primary	rural	1
Kerang PS	\$900	Primary	hard to staff	1
Korumburra SC	\$900	Secondary	rural	1
Korumburra SC	\$300	Secondary	rural	1
Kurnai College	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Lake Bolac College	\$900	Pri/Sec	rural	1
Lake Bolac College	\$900	Secondary	rural	1
Lavers Hill P-12 College	\$900	Secondary	rural	1
Lavers Hill P-12 College	\$900	Pri/Sec	rural	1
Lavers Hill P-12 College	\$900	Pri/Sec	rural	1
Lavers Hill P-12 College	\$900	Pri/Sec	rural	1
Lavers Hill P-12 College	\$900	Pri/Sec	rural	1
Leongatha SC	\$900	Secondary	rural	1
Leongatha SC	\$900	Secondary	rural	1
Lorne-Aireys Inlet P-12	\$900	Pri/Sec	rural	1
Lowanna College	\$900	Secondary	rural	1
Maffra SC	\$900	Secondary	rural	1
Maffra SC	\$900	Secondary	rural	1
Maffra SC	\$900	Secondary	rural	1
Maldon PS	\$900	Primary	rural	1
Manangatang P-12 Coll	\$900	Pri/Sec	hard to staff	1
Manangatang P-12 Coll	\$900	Pri/Sec	hard to staff	1
Markwood PS	\$900	Primary	rural	1
Maroona PS	\$900	Primary	rural	1

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ASSEMBLY

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Placement school	Subsidy	School type	School status	No of Pract
Maryborough East PS	\$900	Primary	rural	1
Maryborough PS	\$900	Primary	rural	1
Merbein SC	\$900	Secondary	hard to staff	1
Mitta Mitta PS	\$300	Primary	hard to staff	1
Moyhu PS	\$900	Primary	rural	1
Mt Macedon PS	\$900	Pri/Sec	hard to staff	1
Murtoa College	\$900	Pri/Sec	hard to staff	1
Myrtleford SC	\$900	Secondary	rural	1
Nagambie PS	\$900	Primary	rural	1
Nathalia PS	\$900	Primary	rural	1
Newlyn PS	\$900	Primary	rural	1
Newstead PS	\$900	Primary	rural	1
Numurkah SC	\$900	Secondary	rural	1
Ocean Grove PS	\$900	Primary	rural	1
Orbost SC	\$900	Secondary	rural	1
Ouyen SC	\$900	Secondary	rural	1
Ovens College	\$900	Secondary	rural	1
Port Fairy Consolidated	\$900	Primary	rural	1
Portland SC	\$900	Secondary	rural	1
Portland SC	\$900	Secondary	rural	1
Portland SC	\$900	Secondary	rural	1
Queenscliff PS	\$300	Primary	rural	1
Rainbow SC	\$900	Secondary	hard to staff	1
Robinvale SC	\$900	Secondary	hard to staff	1
Sale College	\$900	Secondary	rural	1
Sale College	\$600	Secondary	rural	1
Sale College	\$300	Sec	rural	1
Sale PS	\$900	Primary	rural	1
Sale SC Macalister Campus	\$900	Secondary	rural	1
South Gippsland SC	\$900	Secondary	rural	1
South Gippsland SC	\$900	Secondary	rural	1
St Arnaud SC	\$900	Secondary	rural	1
St Leonards PS	\$900	Primary	rural	1
St Leonards PS	\$900	Primary	rural	1
Stawell SC	\$900	Secondary	rural	1
Stawell SC	\$900	Secondary	rural	1
Stawell SC	\$900	Secondary	rural	1
Stawell SC	\$900	Secondary	rural	1
Stawell SC	\$900	Secondary	rural	1
Stawell SC Wonga Campus	\$900	Secondary	rural	1
Sth Gippsland SC	\$900	Secondary	rural	1
Swan Hill PS	\$900	Primary	hard to staff	1
Swan Hill SC	\$900	Pri/Sec	hard to staff	1
Swan Hill SC	\$900	Pri/Sec	hard to staff	1
Swan Hill SC	\$900	Pri/Sec	hard to staff	1
Swan Hill SC	\$900	Pri/Sec	hard to staff	1
Swan Hill SC	\$900	Pri/Sec	hard to staff	1
Swan Hill SC	\$900	Pri/Sec	hard to staff	1
Swan Hill SC	\$900	Secondary	hard to staff	1
Swan Hill SC	\$900	Secondary	hard to staff	1
Swan Hill SC Kode Camp	\$900	Secondary	hard to staff	1
Swan Reach PS	\$900	Primary	rural	1
Tallangatta SC	\$900	Secondary	rural	1
Tallangatta SC	\$900	Secondary	hard to staff	1
Tambo Upper PS	\$900	Primary	rural	1
Terang PS	\$900	Primary	rural	1
Timboon P-12	\$900	Pri/Sec	hard to staff	1
Timboon P-12 College	\$900	Pri/Sec	hard to staff	1
Timboon P-12 College	\$900	Pri/Sec	hard to staff	1
Timboon P-12 College	\$900	Pri/Sec	hard to staff	1

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ASSEMBLY

Thursday, 20 October 2005

Placement school	Subsidy	School type	School status	No of Pract
Timboon P-12 School	\$900	Pri/Sec	hard to staff	1
Trafalgar HS	\$900	Secondary	rural	1
Trafalgar HS	\$900	Secondary	rural	1
Tyrrell College	\$900	Pri/Sec	hard to staff	1
Tyrrell College	\$900	Pri/Sec	hard to staff	1
Tyrrell College	\$900	Pri/Sec	hard to staff	1
Tyrrell College	\$900	Pri/Sec	hard to staff	1
Tyrrell College	\$900	Pri/Sec	hard to staff	1
Tyrrell College	\$900	Pri/Sec	hard to staff	1
Tyrrell College	\$900	Secondary	rural	1
Tyrrell College	\$900	Secondary	rural	1
Wangaratta HS	\$900	Secondary	rural	1
Wangaratta HS	\$900	Secondary	rural	1
Wangaratta HS	\$900	Secondary	rural	1
Wangaratta West PS	\$900	Primary	rural	1
Warracknabeal SC	\$900	Secondary	hard to staff	1
Warracknabeal SC	\$900	Secondary	rural	1
Warragul SC	\$900	Secondary	rural	1
Wonthaggi SC	\$900	Secondary	rural	1
Wonthaggi SC	\$900	Secondary	rural	1
Wonthaggi SC	\$900	Secondary	rural	1
Woodend PS	\$900	Primary	rural	1
Woorilen District PS	\$900	Primary	hard to staff	1
Yarram SC	\$900	Secondary	rural	1
Yarrawonga SC	\$900	Secondary	rural	1
Totals	\$171,300			196

Outer Metro Practicums

Placement school	Subsidy	School type	School status	No of Pract
Doveton SC	\$300	Secondary	Outer metro	1
Drouin SC	\$300	Secondary	Outer metro	1
Eumemmerring SC	\$300	Secondary	Outer metro	1
Eumemmerring SC	\$300	Secondary	Outer metro	1
Hume Valley School	\$300	Special	Outer metro	1
Kambrya College	\$300	Secondary	Outer metro	1
Lyndhurst SC	\$300	Secondary	Outer metro	1
Narre Warren P-12	\$300	Pri/Sec	Outer metro	1
The Grange P-12	\$300	Pri/Sec	Outer metro	1
The Grange P-12	\$300	Pri/Sec	Outer metro	1
The Grange P-12	\$300	Pri/Sec	Outer metro	1
Thomas Chirnside PS	\$300	Primary	Outer metro	1
Whittlesea SC	\$300	Secondary	Outer metro	1
Whittlesea SC	\$300	Secondary	Outer metro	1
Total	\$4,200			14

2005–06 Practicum Data

Rural Practicums

Placement school	Subsidy	School type	School status	No of Pract
Alexandra SC	\$900	Secondary	rural	1
Apollo Bay P–12	\$900	Pri/Secondary	hard to staff	1
Ararat Community College	\$900	Secondary	rural	1
Ararat Community College	\$900	Secondary	rural	1
Ararat Community College	\$900	Secondary	rural	1
Ararat Community College	\$900	Secondary	rural	1
Ararat PS	\$900	Primary	rural	1
Baimbridge P–12	\$900	Secondary	rural	1
Bairnsdale SC	\$900	Secondary	rural	1
Bairnsdale SC	\$900	Secondary	rural	1
Bairnsdale SC	\$900	Secondary	rural	1
Bairnsdale SC	\$900	Secondary	rural	1
Bairnsdale SC	\$900	Secondary	rural	1
Bairnsdale SC	\$900	Secondary	rural	1
Bairnsdale SC	\$900	Secondary	rural	1
Bairnsdale SC	\$900	Secondary	rural	1
Balmoral Consolidated	\$900	Primary	hard to staff	1
Baranduda PS	\$900	Secondary	rural	1
Beaufort SC	\$300	Secondary	rural	1
Beechworth PS	\$200	Primary	rural	1
Beechworth SC	\$900	Secondary	rural	1
Bellarine SC	\$900	Secondary	rural	1
Benalla College	\$900	Secondary	rural	1
Benalla East PS	\$900	primary	rural	1
Birchip P–12 School	\$900	Primary/Sec	rural	1
Bogong Outdoor Ed Centre	\$900	Camp	rural	1
Bogong Outdoor Ed Centre	\$900	Camp	rural	1
Bright P–12	\$900	Pri/Secondary	rural	1
Bright P–12 College	\$900	Pri/Secondary	rural	1
Bright P–12 College	\$900	Pri/Secondary	rural	1
Broadford SC	\$300	Primary	rural	1
Buln Buln PS	\$900	Primary	rural	1
Cavendish PS	\$900	Primary	rural	1
Chaffey SC	\$900	Secondary	hard to staff	1
Chiltern PS	\$200	Primary	rural	1
Cobden TS	\$900	Secondary	rural	1
Cobden TS	\$900	Secondary	rural	1
Cohuna SC	\$900	Secondary	hard to staff	1
Colac College	\$900	Secondary	rural	1
Corryong SC	\$900	Secondary	hard to staff	1
Dartmoor PS	\$900	Primary	hard to staff	1
Daylesford SC	\$900	Secondary	rural	1
Daylesford SC	\$900	Secondary	rural	1
Donald HS	\$900	Secondary	hard to staff	1
Drouin SC	\$900	Secondary	rural	1
Drouin SC	\$900	Secondary	rural	1
Echuca HS	\$900	Secondary	rural	1
Echuca HS	\$900	Secondary	rural	1
Echuca SC	\$900	Secondary	rural	1
Edenhope College	\$900	Secondary	hard to staff	1
Euroa PS	\$900	Primary	rural	1
Falls Creek PS	\$900	Primary	hard to staff	1
Falls Creek PS	\$900	Primary	hard to staff	1
Greta Valley PS	\$900	Primary	rural	1
Greta Valley PS	\$900	Primary	rural	1
Hawkesdale P–12	\$900	Primary/Sec	rural	1

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Placement school	Subsidy	School type	School status	No of Pract
Hawkesdale P-12 College	\$900	Pri/Secondary	rural	1
Heywood District SC	\$900	Secondary	rural	1
Hopetoun SC	\$900	Secondary	hard to staff	1
Huntly PS	\$900	Primary	rural	1
Irymple SC	\$900	Secondary	hard to staff	1
Kaniva College	\$900	Secondary	rural	1
Kilmore PS	\$900	Primary	rural	1
Korumburra PS	\$900	Primary	rural	1
Korumburra SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$900	Secondary	rural	1
Kyabram SC	\$200	Secondary	rural	1
Kyneton SC	\$900	Secondary	rural	1
Kyneton SC	\$900	Secondary	rural	1
Kyneton SC	\$200	Secondary	rural	1
Lakes Entrance SC	\$900	Secondary	rural	1
Lalbert PS	\$900	Primary	hard to staff	1
Leongatha SC	\$900	Secondary	rural	1
Lorne-Aireys Inlet P-12 College	\$900	Pri/Secondary	rural	1
Lorne-Aireys Inlet P-12 College	\$900	Pri/Secondary	rural	1
Lorne-Aireys Inlet P-12 College	\$900	Pri/Secondary	rural	1
Manangatang P-12	\$900	Primary/Sec	hard to staff	1
Manangatang P-12	\$900	Pri/Secondary	hard to staff	1
Mansfield PS	\$900	Primary	Rural	1
Mansfield SC	\$900	Secondary	rural	1
Mansfield SC	\$900	Secondary	rural	1
Merbein South PS	\$900	Primary	hard to staff	1
Mirboo North SC	\$900	Secondary	rural	1
Monnington/Aurora School	\$200	Special	hard to staff	1
Mortlake P-12	\$900	primary/sec	rural	1
Mount Beauty PS	\$900	Primary	rural	1
Mount Beauty SC	\$900	Secondary	rural	1
Nathalia SC	\$900	Secondary	rural	1
Newhaven PS	\$900	Primary	rural	1
Numurkah SC	\$900	Secondary	rural	1
Numurkah SC	\$900	Secondary	rural	1
Numurkah SC	\$900	Secondary	rural	1
Ocean Grove PS	\$900	Primary	rural	1
Ocean Grove PS	\$900	Primary	rural	1
Orbost SC	\$900	Secondary	rural	1
Ovens College	\$900	Secondary	rural	1
Portland SC	\$900	Secondary	rural	1
Rochester PS	\$900	Primary	rural	1
Rochester SC	\$900	Secondary	rural	1
Rochester SC	\$900	Secondary	rural	1
Rochester SC	\$900	Secondary	rural	1
Rochester SC	\$200	Secondary	rural	1
Rushworth P-12	\$900	Pri/Secondary	rural	1
Sale College	\$900	Secondary	rural	1
Sale College	\$900	Secondary	rural	1
Sale SC	\$900	Secondary	rural	1
Sale SC	\$900	Secondary	rural	1
St Arnaud SC	\$900	Secondary	rural	1
St Arnaud SC	\$200	Secondary	rural	1
Stawell Primary	\$900	Primary	rural	1
Stratford PS	\$900	Primary	rural	1
Surfside PS	\$900	Primary	rural	1

QUESTIONS ON NOTICE

Thursday, 20 October 2005

ASSEMBLY

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Placement school	Subsidy	School type	School status	No of Pract
Swan Hill College	\$900	Secondary	hard to staff	1
Swan Hill College	\$900	Pri/Secondary	hard to staff	1
Swan Hill College	\$900	Pri/Secondary	hard to staff	1
Swan Hill College	\$900	Pri/Secondary	hard to staff	1
Swan Hill College	\$900	Pri/Secondary	hard to staff	1
Swan Hill College	\$900	Pri/Secondary	hard to staff	1
Swan Hill College	\$900	Secondary	hard to staff	1
Tallangatta SC	\$900	Secondary	hard to staff	1
Tallangatta SC	\$200	Secondary	hard to staff	1
Tallangatta Secondary	\$200	Secondary	hard to staff	1
The Alpine School	\$900	Camp	rural	1
Tyrell College	\$900	Secondary	rural	1
Tyrell College	\$900	Secondary	rural	1
Tyrell College	\$900	Secondary	rural	1
Tyrell College	\$900	Secondary	rural	1
Wanganui Park SC	\$900	Secondary	rural	1
Wanganui Park SC	\$900	Secondary	rural	1
Wangaratta HS	\$900	Secondary	rural	1
Wangaratta HS	\$900	Secondary	rural	1
Wangaratta SC	\$900	Secondary	rural	1
Wangaratta SC	\$900	Secondary	rural	1
Warracknabeal PS	\$900	Primary	hard to staff	1
Warracknabeal PS	\$900	Primary	hard to staff	1
Warragul Nth PS	\$900	Primary	rural	1
Warragul SC	\$900	Secondary	rural	1
Wedderburn P-12 School	\$900	Pri/Secondary	rural	1
Wedderburn P-12 School	\$900	Pri/Secondary	rural	1
Wedderburn P-12 School	\$900	Pri/Secondary	rural	1
Wonthaggi SC	\$900	Secondary	rural	1
Wonthaggi SC	\$900	Secondary	rural	1
Wonthaggi SC	\$900	Secondary	rural	1
Wonthaggi SC	\$900	Secondary	rural	1
Totals	\$122,100			144

Outer Metro Practicums

Placement school	Subsidy	School type	School status	No of Pract
Hampton Park SC	\$200	Secondary	Outer Metro	1
Hampton Park SC	\$300	Secondary	Outer Metro	1
Hoppers Crossing SC	\$300	Secondary	Outer metro	1
Melton SC	\$300	Secondary	Outer Metro	1
Totals	\$1,100			4

Tourism: port feasibility study

855. Mr DIXON to ask the Minister for Tourism with reference to the feasibility study conducted by Jeff Mangano into the use of Melbourne as a turnaround port for cruise ships — what were the key findings of this study which commenced on 20 October 2004 and was due for completion in April 2005.

ANSWER:

I am informed as follows:

Tourism Victoria and the Department of Infrastructure commissioned Jeff Mangano to prepare a feasibility study into Melbourne's ability to operate as a turnaround port. Mr Mangano is an expert in cruise ship logistics. He has extensive experience in the cruise ship industry, specifically assessing ports around the world and their operational capacity to facilitate cruise ship turnarounds.

The Cruise Ship market is the fastest growing segment of the global leisure market. Cruise shipping continues to be a vital segment for Victoria's tourism industry. The 2005/06 season will be the strongest to date with 34 ships scheduled to visit Melbourne and one ship scheduled for regional Victoria (Refuge Cove). Each ship delivers over one million dollars in direct and indirect expenditure into the economy.

I am pleased to advise that the key findings from the study include:

- hotel, airline & coach infrastructure is well positioned to accommodate turnaround passenger movements;
- Station Pier is capable of hosting a full ship turnaround;
- Station Pier limitations include vehicles, passenger and baggage stationing & movement; and
- limitations imposed by heritage infrastructure & security.

Tourism: international tourism strategy

856. Mr DIXON to ask the Minister for Tourism with reference to Aviation and Tourism Management who were engaged as consultants by the Department to support the development of Victoria's International Tourism Strategy — what were the key findings of this consultancy which commenced on 15 April 2005 and was due to be completed on 30 August 2005.

ANSWER:

I am informed as follows:

The principal consultant at Aviation and Tourism Management is Mr John King, a world renowned expert on aviation matters. Mr King has been involved in numerous briefing sessions to provide advice on the key trends influencing Victoria's aviation development.

Mr King has also provided a presentation on aviation and yield management strategies and will be involved in critiquing a draft of *Victoria's International Tourism Strategy in October*, once the internal review of the document is completed. No additional consultancy costs are expected to be incurred due to the slight delay in completing this project.

I am pleased to report that this consultancy has provided a number of important findings to Tourism Victoria. It is important to note that the detail of some of the findings is commercially sensitive information.

The findings deal with the following:

- impact of new generation aircraft on global aviation traffic;
- changing global aviation policies and bilateral agreements;

- impacts of rising fuel costs and airport taxes;
- impacts of increased security arrangements at international airports;
- current airline route networks and hubs; and
- carrier attraction strategies.

Tourism: tourism attraction scoping study

859. Mr DIXON to ask the Minister for Tourism with reference to KPMG who were engaged as consultants by the Department to consult on the Tourism Attraction Scoping Study — what were the key findings of this consultancy which commenced on 20 May 2005 and was due for completion on 30 June 2005.

ANSWER:

I am informed as follows:

The lack of a major family theme park has been acknowledged as a major gap in Victoria’s tourism product in the last three Victorian Tourism Industry Development Plans dating from October 1993. Investments of this kind appeal to the domestic market, but they are also a critical decision-making factor by Asian airlines that service the ‘group’ market segment, especially from China, Japan, Taiwan and Korea.

In May 2005, Tourism Victoria commissioned KPMG to provide a market and strategic assessment of Melbourne for a branded theme park. Specifically, the study assessed Melbourne’s competitive attributes compared with other States. The study looked at demographics, household disposable income, domestic and international market profiles and net economic benefits.

The study concluded that Melbourne has competitive attributes such as market depth, domestic and international tourism growth, and transport infrastructure. Such positive attributes would support the concept of a branded theme park for Melbourne.

Tourism: tourism and events industry strategy

860. Mr DIXON to ask the Minister for Tourism with reference to LPT & Co who were engaged as consultants by the Department in relation to the Tourism and Events Industry Strategy — what were the key findings of this consultancy which commenced on 4 March 2005 and was due for completion on 1 August 2005.

ANSWER:

I am informed as follows:

Several key findings were identified by the Project Team and LPT & Co consultancy in relation to the 10-year Government Strategy for Victoria’s Tourism and Events Industry. These key findings were informed by research and extensive consultation including 51 stakeholder consultations and 74 responses to a Discussion Paper from Government and Industry.

Key findings include:

- Tourism is a significant industry that has performed well to date however, the economic contribution of tourism to the State is not fully appreciated across Government.
- Competition and risk of major shocks makes the industry particularly volatile.
- There is potential for tourism to grow to become an \$18 billion industry by 2014/15, contributing 7–8% of Gross State Product and employing 225,000 Victorians. However, a number of challenges grouped around marketing, Government and industry need to be addressed in order to achieve this growth potential.

– The Project Team recommends a range of options to achieve four major objectives that address the challenges outlined above:

- *Build Upon Existing Strengths*
- *Develop New Strengths*
- *Focus on Long-Term Growth Opportunities*
- *Improve the Interface Between Government and Industry*

The results of this study are currently under consideration.