PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

Tuesday, 14 June 2005

(extract from Book 7)

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By authority of the Victorian Government Printer

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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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Hirsh, Hon. Carolyn Dorothy	Silvan	Ind	Vogels, Hon. John Adrian	Western	LP

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TUESDAY, 14 JUNE 2005

Tuesday, 14 June 2005

The PRESIDENT (Hon. M. M. Gould) took the chair at 2.02 p.m. and read the prayer.

ROYAL ASSENT

Message read advising royal assent on 31 May to:

Children and Young Persons (Miscellaneous Amendments) Act
Gambling Regulation (Public Lottery Licences) Act
Long Service Leave (Amendment) Act
Road Safety (Further Amendment) Act
Transport Legislation (Further Amendment) Act.

QUESTIONS WITHOUT NOTICE

Commonwealth Games: financial reporting

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — My question is to the Minister for Commonwealth Games. When did the minister receive a request from the Auditor-General to extend the 2006 financial year for the games to 30 September 2006?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the member's question, and I welcome his interest. It is good to see that Mr Gordon Rich-Phillips has been catapulted up the pecking order in terms of questions and that finally we have a Commonwealth Games question early in proceedings rather than further down. It is good to see that he will be able to get his key performance indicators up.

I welcome this opportunity to clear up any misunderstanding or confusion — because I know the opposition can be confused from time to time — in relation to this issue. In particular I welcome this opportunity to assure the Parliament that the timely and open report in relation to the games will absolutely be the case.

Let me just say that it is interesting to see that we have the opposition interested in Auditor-General issues, for starters. Let me take members back for a second. It is relevant to the answer and to the debate that we were the government that gave back the power to the Auditor-General. We ensured that the Auditor-General's independence was maintained and entrenched that independence as a check on the expenditure of public money. We as a government are happy to and will report on anything the Auditor-General wants in relation to any matter. Let us underline that. We know that was not the case with the opposition when it was in government.

Hon. Philip Davis — On a point of order, President, while it is the case that the minister has some latitude, I make the point that it is not appropriate for him to be referring at all to any previous government in responding to a question about his own administration. The question is in relation to the Auditor-General and the reporting arrangements for the Commonwealth Games.

The PRESIDENT — Order! The minister has been asked to make a comment on the Auditor-General and the reporting of the government with respect to the Commonwealth Games. I ask the minister to respond to the question asked by the Honourable Gordon Rich-Phillips.

Hon. J. M. MADDEN — I would like to put on the record the following: a joint statement presented to me by the Auditor-General, Mr Wayne Cameron, and the Secretary of the Department for Victorian Communities, Yehudi Blacher. I quote:

> There have been ongoing discussions between staff of the Auditor-General's office and the Department for Victorian Communities about the preparation of the special purpose report on the Melbourne 2006 Commonwealth Games, following completion of the games.
>
> These discussions focused on how best to present a full account of the games from a statewide perspective to enhance public accountability. While transactions associated with the games will be accounted for by the respective agencies in their 2005–06 financial statements, which are subject to audit by the Auditor-General's office, we are aware that all games-related transactions may not be finalised prior to 30 June 2006.
>
> For the final special purpose report to be comprehensive, it will need to include all significant transactions relating to the wrap-up of the games, some of which may be after year end. Should there be significant transactions after 30 June 2006, audit suggested extending the reporting date of the special purpose report so as to achieve that goal.
>
> This proposal is mutually supported and should not compromise timely reporting to Parliament on this significant state event.

I welcome the opportunity to assure Parliament and, in particular, the people of Victoria that the Bracks government is committed to being open and transparent and that this applies to the Commonwealth Games. We will continue to provide the Auditor-General with all the necessary information required to ensure openness and transparency are maintained. We were the government that reinstated the Auditor-General's

powers. We are happy to continue the transparency, maintain it and report to all Victorians in a timely manner in relation to all issues in relation to the Commonwealth Games.

Hon. Philip Davis — On a point of order, President, the minister has quoted extensively from a detailed document, and I ask that the minister table the document for the benefit of the house.

The PRESIDENT — Order! Under the standing orders the minister is not required to table a document, so I cannot direct him to do so.

Hon. Bill Forwood — Further on the point of order, President, it has been the consistent practice in the Assembly for many years that if a minister reads from a document, that document be made available. The Leader of the Government would know that, because he used to be down there. I put it to you, President, that if we are going to adopt practices of the Assembly, then this is one that should be adopted. We have just had a circumstance where there have been some quotes from a written document, and I put it to you that the only appropriate thing to happen is for the document to be made available to every member of this chamber — even if it is not formally tabled — so that people can verify for themselves that it has been quoted accurately and extensively.

The PRESIDENT — Order! Mr Forwood knows that he should not be debating points of order. As I indicated to the house, there is no requirement for me to direct the minister to table the document. It is up to the minister whether he wants to make it available. With respect to some of the member's reference to standing orders in the Legislative Assembly, that is the Assembly and this is the Council, and the member is aware of that. That matter can be taken up during the review of standing orders by the Standing Orders Committee that will be established following the motion put before the house in the last sitting week.

With respect to reading a document, on many occasions my predecessors have indicated that it is allowable for a minister to read his response to ensure its accuracy, so that is not a question that needs to be addressed. I stand by the ruling I gave to the Leader of the Opposition that the minister is not required to table the document; it is up to the minister.

Hon. B. N. Atkinson — On a point of order, President, I hear your ruling and I accept it; but I suggest it is within your jurisdiction and the requirements of the Chair that you request the minister to advise the house of the source document from which he is quoting in detail.

The PRESIDENT — Order! The minister has answered the question. In his response he referred to notes and a joint statement put out by the Auditor-General, so he has fulfilled his obligations under the requirements of the house.

Hon. B. N. Atkinson — Further on the point of order, President, I have heard what you said but, with respect, the minister spoke about a joint document. It is not a public statement, as you have just suggested. It is a joint briefing note, if you like, that went to the minister and the house deserves to know a bit more about the status of that briefing note.

The PRESIDENT — Order! With respect to the document, I have given my ruling on that. With respect to the minister's response to the question, the honourable member has the opportunity of raising a supplementary question. I cannot direct the minister to release the document. Members have noted that; they are the rules of the house. It is up to the minister whether he wishes to do that. The minister has responded to the question asked by the Honourable Gordon Rich-Phillips and answered in the time allocated.

Hon. B. N. Atkinson — On a point of order, President, I do not wish to test the patience of the house or the Chair. I agree that you cannot direct him to release the document today, but you can direct him to tell the house exactly what the status of the document is and to give the house an indication of exactly what document he is quoting from.

The PRESIDENT — Order! I have made my ruling and it is up to the minister whether he wants to give more details in respect of the response he has given to the honourable member. I stand by my ruling.

Supplementary question

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — Last Wednesday the minister stated that the Auditor-General had requested a delay to the Commonwealth Games balance date. What form did the request from the Auditor-General take and did he put it in writing as is the conventional practice or did he make an exception for the minister's department?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I believe I answered the question with my last comment.

Hon. G. K. Rich-Phillips — On a point of order, President, the question went specifically to the nature of the communication from the Auditor-General to the minister predating the minister's statement last week.

The minister did not address that in any way in his response.

The PRESIDENT — Order! The member would be aware that I cannot direct the minister as to the way he should answer the question. He has answered the question. It is up to the house where it takes it from there, but the minister has responded and as far as I am concerned, that is as far as I can take it.

Football: rural and regional Victoria

Ms CARBINES (Geelong) — My question is directed to the Minister for Sport and Recreation. I ask the minister to inform the house how the Bracks government's response to the Rural and Regional Services and Development Committee's inquiry into country football will deliver for regional Victoria?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I welcome the question, in particular because we have had a few critics in this chamber in relation to the parliamentary inquiry into country football. It is worth noting that this was an inquiry that we requested. I gave that inquiry the terms of reference. Why? Because it was significant. Did the opposition when in government care much about country footy, let alone country Victoria? I think the answer is no. The vast majority of people in country Victoria also appreciate that when that mob over there was in government the answer to whether it cared about country footy or the country generally was no. But that no was qualified — I think it was Jeff Kennett who suggested it — and country Victoria was described as the toenails or something like that.

This inquiry has been highly successful in a number of ways. The committee found that although there had been a number of recent club mergers football was not in decline in country Victoria. I thought that was very heartening, because when I travelled country Victoria everybody, including Mr Drum, had a theory on the problems of country football. The best way to consolidate those opinions, rather than having a particular vested interest in one forum or another, was to make sure we got a comprehensive audit of what was taking place, and that is what happened through this process. What we have seen is a tremendous outcome: country footy is healthier than ever. That is a spectacular result.

What the report says is that there are a number of pressure points that need some assistance. We have been very pleased to announce that assistance. We have applied funding in a number of areas where there were pressure points in relation to country football. The Premier recently announced a $4.5 million package for country football and netball facilities.

Hon. B. N. Atkinson interjected.

Hon. J. M. MADDEN — I can hear the bellows of opposition members, but what I cannot see is any funding in relation to country football that ever came from them when they were in government, so it rings hollow — as hollow as any policy statement Mr Atkinson made within his portfolio.

We provided $2 million for a new facilities funding program that will be matched by the Australian Football League working in partnership, which Mr Atkinson's mob could never do; $215 000 for recruiting, educating and supporting football umpires, coaches and officials, to be matched by the AFL; and $90 000 for a study into sportsground conditions and the relationship to sports injuries. Although you might suspect that a few opposition members have had a few head injuries from football over the years, in actual fact it is just that they failed to make policy statements in any of these areas.

I am pleased to thank the AFL for matching the government's contribution. It shows we can work in partnership. We are working not only with the community but with the stakeholders who deliver for the community. I am also pleased with the stakeholder response to the announcement. Glenn Scott, the chief executive officer of the Victorian Country Football League, is supportive. It is fantastic to hear him say that the announcement between the state government and the AFL is an excellent reward for and encouragement to all the hardworking volunteers of our regional and rural communities, showing that their efforts are valued at the highest levels.

Commonwealth Games: financial reporting

Hon. PHILIP DAVIS (Gippsland) — I direct my question without notice to the Minister for Finance. Has the minister received a request to exercise his power under the Financial Management Act to delay the reporting date of the Commonwealth Games to 30 September 2006?

Mr LENDERS (Minister for Finance) — No.

Minerals and petroleum: industry initiatives

Ms MIKAKOS (Jika Jika) — My question is to the Minister for Energy Industries and Resources. Can the minister advise the house of recent initiatives the Bracks government has taken in relation to promoting

the mining and petroleum industry in the north-east of Victoria?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I thank the member for her question. The mineral exploration and investment potential of north-east Victoria was highlighted recently when I released major new geological and minerals data.

Ms Hadden — Was that a press release?

Hon. T. C. THEOPHANOUS — No, it was under the Victorian Initiative for Minerals and Petroleum program. The data was part of the 17th data release under VIMP. As part of the release, new geological maps of prospective parts of the north-east have been publicly released. The new map areas that were released are located in the north-east of the state and extend from Mitta Mitta in the north to Dargo in the south. As some members might know, the north-east has an active past as a goldmining centre including Chiltern and Beechworth. The mapping released last week has better defined the extent of both primary and alluvial gold and tin in the north-east of the state. It identifies more clearly the extent of rock alteration and veining associated with gold-copper mineralisation at Banimboola, south of Mitta Mitta.

This VIMP program has in fact been a key contributor to Victoria's rising exploration investment which, as the latest Australian Bureau of Statistics figures show, has risen by more than 25 per cent from $42.6 million in 2002–03 to $53.5 million in 2003–04. The investment that has been made under VIMP is now up to $17 million. Indeed over the last four years, $4 million has been allocated in improving the regional geological data under this program. That is attracting investment in our minerals industry in Victoria. That investment is resulting in jobs in regional Victoria. It is resulting in new gold discoveries and new mines in many parts of regional Victoria and a new mineral sands industry for Victoria, particularly an increase in the goldmining industry right across Victoria but particularly in underground mining in Bendigo, Ballarat, Fosterville, Stawell and a number of other places that have some potential.

We are looking at significant investments and a very substantial number of jobs. That is because Victoria now has the most comprehensive geophysical data and some of the best geological data of any mainland state or territory in Australia. We are very proud of that. It is part of what my department does and what the Bracks government does in promoting investment in regional Victoria in these very important industries. I might point out that every $1 of expenditure by the state in this area results in $5.50 being invested by the private sector. That is what is gearing off the exploration. It is what is creating these new projects which are worth billion of dollars to the state of Victoria and which will result in thousands of new jobs in regional Victoria.

WorkCover: workplace safety

Hon. P. R. HALL (Gippsland) — My question without notice today is directed to the Minister for WorkCover and the TAC, Mr Lenders. Given the experience of my constituents Lisa and Steve Krupjak against whom the Victorian WorkCover Authority commenced legal action over an injury claim by a paid carer, is the government prepared to take immediate action to ensure families are exempt from litigation under WorkCover as a result of a care worker employed and paid by a third party being injured in the family home?

Mr LENDERS (Minister for WorkCover and the TAC) — I thank Mr Hall for his question and welcome him back to the house. I have certainly followed with great interest the case of the Krupjak family in this particular instance. With some interest I have also followed the comments by the Leader of The Nationals in the Legislative Assembly and also Mr Forwood's commentary over time in this place.

Firstly, I put on record the fact that when the Krupjaks raised their particular issue with Brendan Jenkins, the member for Morwell in the other place, he interceded fairly quickly and got a speedy response from the Victorian WorkCover Authority (VWA) that dealt with this case and there and then removed all the anxiety for the family in respect of this case. Mr Jenkins dealt with this issue during the last sitting week and followed through so that that family knows with certainty what the situation is.

On the broader policy issue raised by Mr Hall, the Victorian WorkCover Authority, on the one side, always needs to balance the capacity to recover when there is negligence on the part of an employer, versus the other side, where there needs to be the capacity to provide a safe workplace and provide a viable scheme so that it can insure injured workers. We know that almost 30 people a year are killed in Victorian workplaces, and we also know that another 32 000 people a year are injured in Victorian workplaces. That is always difficult to balance, particularly if either the Victorian WorkCover Authority or its agents do not act in a sensitive manner.

Clearly the Krupjaks could expect to be dealt with in a sensitive manner by the state, and I think the case has now been dealt with from the family's point of view. However, there will always need to be a capacity to deal sensitively with people on the part of the Victorian WorkCover Authority and its agents, so that people do not have unnecessary anxiety. In this particular case that discretion has been exercised. These cases are very few and far between, and the VWA has acted in this instance to the satisfaction of all concerned. If the family has felt any anxiety, I think the VWA has already apologised to them, and I concur with that because the family should be treated with respect.

On the question of whether as a consequence of this case we need to have wholesale amendments to the legislation, that still would not remove the need for discretion to be exercised by the VWA in individual cases. If Mr Hall is advocating that we draft legislation to rule out the discretion of the VWA, I would welcome a discussion with him as to where he thinks that line should be drawn. If what he is seeking to do is in case after case rule out the VWA having the capacity to claim — and in this case it has made the correct decision not to do so — then we need to have a broader debate about the scheme and the protections within it.

In this particular case the VWA has acted. The family was approached as to whether it had public liability insurance and whether the VWA could recover some of the costs. This was a case where a carer was bitten by a dog and suffered a fairly severe reaction to the treatment. I think a balance has been drawn here, but if Mr Hall is of the view that the act needs to be tightened up, I am happy to have a further discussion with him on ways this can be done without ruling out the capacity of the VWA to carry out its operations. The main point here is that we need a scheme that is viable and a scheme where the VWA and its agents deal with people sensitively — and there are lessons to be learnt by all of us in this case.

Supplementary question

Hon. P. R. HALL (Gippsland) — I thank the minister for his response and his preparedness to consider the issue in a broader rather than just a specific way. Given that his government passed legislation to protect volunteers working for agencies from personal liability claims against individuals, is it not appropriate to give unpaid carers — being essentially the families of those requiring care — that same level of protection?

Mr LENDERS (Minister for WorkCover and the TAC) — In 2002 the government made amendments to the Wrongs Act that dealt with the issue of volunteers. Again in 2003 the government made further amendments to that act — I think it might have been twice in 2002 and again in 2003. In fact a number of amendments have been made. As Mr Hall well knows, as mentioned in the public policy debate dealing with those amendments to the Wrongs Act and the protection of volunteers, a plaintiff or a litigant always had the capacity to take to court the organisation the volunteer was a part of.

But a policy decision was made in some cases with some volunteers that action could not be taken against them. That was the public policy debate at the time, which was always a balance between the capacity of someone who was aggrieved to seek redress in the courts against someone when they were deemed to be — —

The PRESIDENT — Order! The minister's time has expired.

Housing: neighbourhood renewal program

Mr VINEY (Chelsea) — My question is to the Minister for Housing. Can the minister inform the house how neighbourhood renewal is delivering for regional Victorians living in the Latrobe Valley?

Ms BROAD (Minister for Housing) — I thank the member for his question and his continuing interest in this Bracks government initiative that is strengthening communities right across Victoria.

Neighbourhood renewal has indeed been a great success in regional Victoria, and I am pleased to say that Victoria's first neighbourhood renewal site was in the Latrobe Valley. The project was launched in 2001 as one of the Bracks government's initiatives which flowed from the Latrobe Valley ministerial task force, and some $17 million was allocated over four years to tackle disadvantage in communities including Morwell, Moe, Traralgon and Churchill. In the four years since 2001 neighbourhood renewal in the Latrobe Valley has gone from strength to strength. It has stimulated new partnerships between government, community organisations and businesses as well as with the Latrobe City Council. It has secured almost 370 community jobs program places. It has enabled four new playgrounds to be built and another six to be upgraded. In total it has delivered some $13 million in capital works to communities in the Latrobe Valley.

The success of neighbourhood renewal in driving down crime rates and making communities safer was recognised when the project won the Australian and Victorian crime and violence prevention awards. In

April the Bracks government released its social policy statement, *A Fairer Victoria,* and announced additional funding of $29.8 million for the expansion and extension of neighbourhood renewal. I am pleased to advise the house that as part of that initiative this will enable the successful Latrobe Valley neighbourhood renewal program, which was due to wrap up at the end of this month, to continue through until 2009. The Latrobe Valley will receive an additional $2 million of this new funding over four years. This allocation will include, amongst other things, funding for a place manager, a community development worker and an employment and learning coordinator. I estimate that by the completion of this neighbourhood renewal project in 2009 some 570 families in the Latrobe Valley will have had major upgrades completed on their homes. The extension of all neighbourhood renewal projects to eight years is critical to ensure that the underlying conditions of disadvantage are addressed and that the very significant achievements are sustainable in the long term.

I recently also had the pleasure of visiting Morwell again to open the new neighbourhood house with the local member for Morwell in the other place, Brendan Jenkins. The new neighbourhood house, which is in the neighbourhood renewal area, is another Bracks government initiative which has been delivered as a result of the Latrobe Valley ministerial task force. These two initiatives by the Bracks government through the ministerial task force — the extension of neighbourhood renewal and the new neighbourhood house — again demonstrate the very practical steps the Bracks government is taking to support families in regional Victoria.

Commonwealth Games: budget

Hon. B. N. ATKINSON (Koonung) — My question without notice is to the Minister for Commonwealth Games. Does the minister stick with his assertion to this house on previous occasions that the Commonwealth Games is within its budget?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I am very happy to receive that question, Mr Atkinson, and I will stand by what I have said previously in relation to all matters involving the Commonwealth Games.

Supplementary question

Hon. B. N. ATKINSON (Koonung) — Given the minister's answer, how does he explain an *Age* article last week that reported that the Melbourne Commonwealth Games chairman, Ron Walker, was going cap in hand to the federal government for additional funding, and does this approach to the federal government indicate any relationship to sponsorship shortfalls?

The PRESIDENT — Order! On the supplementary question, I draw Mr Atkinson's attention to R1.03(c) of the rules of practice which states that ministers should not be asked whether a media statement is accurate or not. The question was about a media article, so I will give the member an opportunity to rephrase the question so that it does not necessarily rely on the article but upon Mr Walker's action.

Hon. B. N. ATKINSON — Thank you, President. I have actually never relied on the *Age*, so I ask: given the minister's answer, why has the games chairman, Ron Walker, gone cap in hand to the federal government for additional funding, and has this anything to do with sponsorship shortfalls?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I am pleased that Mr Atkinson is also getting up his key performance indicators today by asking a few questions, even if they are not within his portfolio. Mr Walker is doing an outstanding job as chairman of the Melbourne Commonwealth Games and I am very pleased with the work he has undertaken in relation to raising sponsorship, in terms of building bridges and relationships with the federal government and all the other areas of responsibility that he has as chairman. He is doing an excellent job. He has conversations with as many people from the Liberal Party as he does with people from the Labor Party, and that is probably one of the reasons he has the job. He is so good at building bridges that we are pleased to have him as chairman, and he is doing a fantastic job.

Mining: legislative review

Mr SMITH (Chelsea) — My question, which is quite an important one — more so than half of those we have heard already today — is to the Minister for Energy Industries and Resources, the Honourable Theo Theophanous. Can the minister advise the house of recent actions by the Bracks government in ensuring that both landowner and mining industry interests are protected under the Mineral Resources Development Act?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I thank the member for his question. This government really is interested in looking after regional Victoria from the point of view of jobs and investment. Its record in creating jobs and

investment in regional Victoria in my portfolio is something I am very proud of. We are also interested in ensuring that there are fair processes alongside of this development that is taking place in regional Victoria. I am therefore pleased to inform the house that last Wednesday I announced a new inquiry into the operation of sections 45 and 46 of the Mineral Resources Development Act (MRDA). This is an important issue in regional and provincial Victoria. Section 45 prohibits mining licensees from doing any work within 100 metres of specified objects unless the relevant landowners and/or occupiers have given their consent. Section 46 of the act allows the minister for resources to authorise a licensee to do work in an area which would otherwise be prohibited under section 45.

This new inquiry follows a 2004 Victorian Civil and Administrative Tribunal case in which the issue of consents by landowners under the MRDA was raised. A number of significant issues were raised as a result of that court case and the government has decided that it is appropriate to have an inquiry in order to ascertain what is the best way forward in relation to this act. We are committed to ensuring that land-holders' interests are protected through transparent and accountable processes for the establishment and operation of mining and exploration projects. Equally we want these projects to be successful as well.

This inquiry will be conducted by well-known Melbourne barrister Simon Molesworth and highly regarded environmental lawyer Rosemary Martin. Mr Molesworth was previously a senior legal member of the Victorian Planning Appeals Board and a senior legal member of the planning division of the Administrative Appeals Tribunal. I think he has done work for both sides of government. I am very pleased to announce his appointment.

The inquiry has been welcomed by a number of players in this area. The executive director of the Victorian branch of the Minerals Council of Australia, Chris Fraser, has welcomed the announcement, as has Ms Rita Bentley of the Prospectors and Miners Association of Victoria.

Ms Hadden — What about Mount Egerton?

Hon. T. C. THEOPHANOUS — In response to the honourable member, it has also been welcomed by representatives of local communities at the centre of the Victorian Civil and Administrative Tribunal case concerning Mount Egerton. This is a very important inquiry. It seeks to establish once and for all a set of guidelines and rules that will allow mining to occur and occur with some certainty in relation to a rule which has been difficult to administer given that it says, for example, 100 metres is measured from the garden of the house, because it is very difficult to ascertain where the garden begins or ends in many properties. This is meant to identify a much better process, leading to clearer guidelines, leading to more investment and leading to more jobs in regional Victoria.

Commonwealth Games: financial reporting

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — My question is to the Minister for Commonwealth Games. Last week the minister told the Public Accounts and Estimates Committee that the games financial year had been extended with permission from the Minister for Finance. Given that the Minister for Finance has just told the house that he has not even received such a request, how can he have given permission as the minister claimed last week?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I think the member opposite is confused. I have made that clear in making that statement from the Auditor-General and Yehudi Blacher, the Secretary of the Department for Victorian Communities. I am happy to table that document if opposition members want, but I will read it out again because I do not believe members heard what I said because of the ranting and raving on the other side of the chamber. It states:

> There have been ongoing discussions between staff of the Auditor-General's office and the Department for Victorian Communities about the preparation of the special purpose report on the Melbourne 2006 Commonwealth Games, following completion of the games.
>
> These discussions focused on how best to present a full account of the games from a statewide perspective to enhance public accountability. While transactions associated with the games will be accounted for by the respective agencies in their 2005–06 financial statements, which are subject to audit by the Auditor-General's office, we are aware that all games-related transactions may not be finalised prior to 30 June 2006.
>
> For the final special purpose report to be comprehensive, it will need to include all significant transactions relating to the wrap up of the games, some of which may be after year end. Should there be significant transactions after 30 June 2006, audit suggested extending the reporting date of the special purpose report so as to achieve that goal.
>
> This proposal is mutually supported and should not compromise timely reporting to Parliament on this significant state event.

It is signed with the names of the Auditor-General, Mr Wayne Cameron, and the Secretary of the Department for Victorian Communities, Yehudi Blacher.

Hon. Philip Davis — What is the document?

Hon. J. M. MADDEN — The document is a joint statement — —

Hon. G. K. Rich-Phillips — On a point of order, President, the minister has been speaking for 2 of his 4 minutes but he has not addressed the question. The question did not in any way relate to anything to do with the Auditor-General, it related to the minister's comments about the Minister for Finance and how they contrast with the Minister for Finance's comments today. The minister has in no way responded to the issue of the Minister for Finance.

The PRESIDENT — Order! The standing orders allow the minister 4 minutes to respond, and he is almost halfway through his time. As the honourable member would be well aware, and as I indicated earlier, the member gets to ask the minister a question and the minister responds. I cannot direct the minister to respond in any way at all — it is up to the minister as to how he responds. The Minister for Commonwealth Games has 2 minutes of time left, and he is entitled to use all or whatever amount of it he chooses.

Hon. J. M. MADDEN — I welcome the member's question, and I am sure this statement will allow him to be well informed in relation to any confusion that he has. Can I just reinforce to the members of this chamber and to yourself, President, that members would appreciate that there is a process for this. There are discussions between departments in relation to this matter. Those are being undertaken, and I believe I have cleared up any confusion Mr Rich-Phillips may have in relation to anything said before the Public Accounts and Estimates Committee. If the member is reporting directly from PAEC, I am not sure which section he is reporting from, but what I would say is that, if he wants to make that clearer by asking another question at some other time, I am happy to answer that question.

Supplementary question

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — Last week the minister told the Public Accounts and Estimates Committee that the Minister for Finance had given permission for the balance statement for the Commonwealth Games to be extended to September 2006. Today the Minister for Finance himself said he had not even received such a request, so I ask the Minister for Commonwealth Games: is he misleading the house or is he accusing the Minister for Finance of misleading the house?

Mr Viney — On a point of order, President, the purpose of a supplementary question is to ask a question that relates to the original question or answer.

Hon. B. N. Atkinson — Which it did, you idiot!

Honourable members interjecting.

The PRESIDENT — Order! Mr Atkinson is well aware that interjections are unruly, and especially so as the member is out of his place. I ask him to desist.

Mr Viney — The supplementary question the member has just asked is an exact repetition of his first question, and I ask you to rule it out of order.

Hon. G. K. Rich-Phillips — On the point of order, President, the supplementary question was directly related to the principal question. The fact that the minister was completely unresponsive to the principal question is not a matter I have control over.

The PRESIDENT — Order! The supplementary question put by Mr Rich-Phillips was to elucidate further the answer that was given by the minister. I do not uphold the point of order. I do uphold the question, and I call on the minister to respond.

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the member's question again. I have not yet seen the draft transcript of the Public Accounts and Estimates Committee. After seeing that I can comment on anything that the member is quoting from the PAEC transcript. I am not entirely sure that is what I said, so I think Mr Rich-Phillips should check to make sure that is what I said in relation to that, but what I will say is that I think Mr Rich-Phillips is confused on this matter in relation to that specific answer, and I think he is drawing a conclusion from that answer which is totally incorrect.

Aged care: rural and regional Victoria

Hon. R. G. MITCHELL (Central Highlands) — My question is to the Minister for Aged Care. Can the minister advise the house of recent developments illustrating the Bracks government's commitment to delivering quality aged care residential services to regional Victorians?

Mr GAVIN JENNINGS (Minister for Aged Care) — I thank Mr Mitchell for his question. Last Wednesday I got out of my car at Beechworth on a brilliant sunshiny day to hear someone singing '… a bright sunshiny day'. I turned around and saw Mr Baxter. In fact it was not Mr Baxter singing the song, it was the children from Beechworth Primary

School, and it was not because Mr Baxter and I were visiting Beechworth, it was because we were there to mark the official opening of the Beechworth Health Service residential aged care facility, a fantastic new service providing high-quality residential aged care to people in Beechworth and surrounding districts and also providing them with health care into the future. There are 88 beds in total in this facility: 30 high-care and 30 low-care beds, 15 psychogeriatric beds and 13 acute care beds. This is a $15 million redevelopment. It is a significant service in its own right and a significant investment in the community in Beechworth.

I was very pleased to join the chair of the board, Vic Issell; the chief executive officer of the Beechworth Health Service, Jan Webb; and a resident of the service, Sheila Parkinson, in this wonderful community event. I took the opportunity to congratulate the community on making a significant contribution to the redevelopment itself. It is a $15 million redevelopment, of which the Bracks government provided $12 million and the local community generated $3 million of its own reserves to the establishment of this building — a great community spirit to support those older members of the community to receive the care that they have every right to receive in their local community so that they do not have to leave their neighbourhood and their loved ones and that they can age gracefully, and supported, in their local community.

It is a principle that the Bracks government supports right around Victoria. We have redeveloped 39 residential aged care facilities during our term of office — to the current expenditure of in excess of $258 million. We recognise that this is a significant role that affects the lives of members of our community right throughout the width and breadth of Victoria. Certainly that is the case within the north-east of Victoria, because this is not the only redevelopment. Significant redevelopments are taking place. There is $10.5 million to support a new state-of-the-art facility in Yarrawonga, and a $7.7 million redevelopment in Numurkah which is currently under way. Mr Mitchell knows of the very important commitment the Bracks government has made to the redevelopment of the residential aged care facility in Seymour — an amount of $5 million — which is currently under way. Mr Mitchell also knows of the important work we have done at Eildon to the Darlingford Upper Goulburn Nursing Home facility.

We recognise that right throughout the north-east there is a role for high-quality residential aged care. The Bracks government is very pleased to support that work right across Victoria and to provide that degree of care. Mr Baxter and I were rapt to be in attendance with the good children of the Beechworth Primary School. They actually know both verses of Advance Australia Fair, Mr Baxter — and I can attest to that because we were scrambling with the second verse. They set off a great community event, and the Bracks government is very pleased to support that great community event and that great facility in Beechworth.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 1363–65, 3299, 4139, 4371, 4379, 4420, 4460, 4580, 4718, 4732, 4770–72, 4812–21, 4834, 4837, 4838, 4840, 4841.

MEMBERS STATEMENTS

Melbourne University: vocational education and training agricultural programs

Hon. J. A. VOGELS (Western) — The agricultural industry in Victoria is absolutely dismayed by the University of Melbourne's decision to transfer vocational education and training (VET) programs at Glenormiston and Longerenong to alternative providers. We know the Bracks government must approve any transfer of VET activities and I call on the Minister for Education and Training in the other place, the Honourable Lynne Kosky, not to do so.

Agriculture is the engine room of this state's economy and the lifeblood of country towns throughout Victoria. A skilled, flexible and creative work force is vital to the productivity, growth and long-term survival of Victoria's food industries. In return the industry can deliver attractive, secure career opportunities, especially in rural and regional Victoria. In my electorate Glenormiston and Longerenong should be the centre for both degree and TAFE courses in agricultural education. It beggars belief that an industry that produces $15 billion worth of food fibre every year is not worth financially supporting for this education system. No education system has full cost recovery, nor should that be expected of the agricultural sector. The Bracks government needs to stand tall on this issue, or it will be remembered as the Labor Party that closed Glenormiston, Longerenong, Dookie and McMillan agricultural campuses — fine institutions which are extremely important to the livelihoods and economies of surrounding communities and our agricultural education sector.

Australian Labor Party: service recognition

Ms MIKAKOS (Jika Jika) — I would like to put on the record the outstanding service contributed by John Anderson, Steve Dimos, Michael Godsell, Brian Leeder and Peter Milton to their local communities over their lifetimes. Their exceptional dedication to the Australian Labor Party was honoured with 40-year medallions at the ALP state conference on Saturday, 21 May.

John Anderson has served as a local councillor for nine years, including two stints as mayor of Northcote. I was proud to serve on the Northcote council with John for some of that time. For the past 14 years John has been president of the Northcote Park Football Club, as well as being involved in numerous other community groups. Steve Dimos has been involved in the Macedonian community since arriving in Melbourne and has helped organise countless dances, parties, picnics and other functions, together with his brother Michael, who also received his life membership three years ago. Michael Godsell loves the sea and the ALP and worked in shipping his entire working life. He is a dedicated and passionate unionist from the painters and dockers and maritime unions, and is a lifetime member of the waterside workers union.

Brian Leeder proudly wears his service badge that reads 'Returned from active service'. The Reservoir RSL has been a major part of Brian's life and is where he was recruited into the ALP. Peter Milton came from the British Labour Party and was a former member for La Trobe. Among other groups he has supported the Save the Dandenongs League, the Australian Conservation Foundation, the Movement Against Uranium Mining, and the Australian Consumers Association. I applaud their commitment to the ALP and acknowledge their lifelong and significant contribution to their local communities. Well done.

McClelland Gallery and Sculpture Park

Hon. ANDREA COOTE (Monash) — I would like to invite all members of this chamber down to the McClelland Gallery and Sculpture Park near Frankston. I visited the other day and had a very comprehensive tour by the director, Simon Ambrose. It is an excellent facility, and I encourage everyone to go. It is a world-class sculpture park of 8 hectares which meander through the Australian bush. The gallery is a unique sculpture park — a mixture of developed garden galleries and natural bushland, open grassed areas, lakes and sculpture trails. In addition it provides workshop space for the Peninsula Woodturners Guild, the McClelland Spinners and Weavers and the Redcliffe Peninsula Lapidary Club.

It is an excellent facility. In fact it has been well backed by Dame Elisabeth Murdoch for a significant number of years. It runs a number of programs and encourages sculpture and large sculptures in this state. It is world renowned and it is certainly worth visiting. The supporters of the programs and areas covered to date are the McClelland Trustees, the Dame Elisabeth Murdoch Sculpture Foundation and the McClelland Foundation. It is absolutely a treat to go there. There is an excellent restaurant, and the sculptures are extremely large. The park is something I think every Victorian should be very proud to have in this state. It is a testament to all of those involved. I would like to put on the record the excellent job that Simon Ambrose, the director, is doing with this sculpture park.

Public Accounts and Estimates Committee: budget estimates 2005–06

Ms ROMANES (Melbourne) — Members of the Public Accounts and Estimates Committee, including four members of this place, are close to concluding the annual marathon of the 2005–06 budget estimates hearings at which every minister in this state, including the Premier, has appeared with senior officers and given evidence and answered questions relating to the coming year's budget estimates and performance objectives. This year during 21 hearings PAEC will have talked to all ministers about a record 43 portfolios, with children's and veterans affairs portfolios added this year. That has taken place over 53 hours. Contrast PAEC estimates under the Bracks government with PAEC estimates under the Kennett government. I remind members that Premier Kennett never subjected himself to scrutiny before PAEC and that only a selection of portfolio ministers appeared before PAEC to give evidence each year. A full and thorough budget estimates process is a key and ongoing commitment of the Bracks government. It is an important part of open and accountable government in this state, and as a result PAEC estimates in Victoria produces the most comprehensive estimates report in the country.

Government: performance

Hon. RICHARD DALLA-RIVA (East Yarra) — This is a great opportunity to follow on from that diatribe that we just heard in relation to the former Premier. I would suggest that the honourable member look at page 13 of today's *Age* and the article headed 'Bracks: the Premier who can't deliver'. This epitomises this government. This is just a spend-all, tax-all government which cannot actually deliver on any of its promises. I ask members opposite to tell me one major project that this government has started and completed in its now six years of government. This is a

government that has now blown out the state budget from $19 billion to over $30 billion, a government that spends over $500 million on consultancies and that employs an extra 24 000 equivalent full time in the public sector, and a government that has put in 124 extra statutory authorities.

This is a government that will be renowned for nothing but spending taxpayers money. It has delivered little. I implore people to read the article on page 13 of today's *Age* headed 'Bracks: the Premier who can't deliver'. It talks about the supposed very fast rail. The fact is the government issued 179 press releases on the fast rail. What a disgusting, disgraceful outcome from a government that is absolutely bereft of vision, a government that has absolutely no idea what it is doing. If you want to take advantage, have a look at — —

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

Job Skills Agricultural Expo

Hon. J. G. HILTON (Western Port) — Last week I was very pleased to open the Job Skills Agricultural Expo in Korumburra. The expo is an initiative facilitated by the South Gippsland Bass Coast Local Learning and Employment Network (LLEN), and its aim is to raise the awareness of young people in South Gippsland of local career opportunities in agriculture, horticulture and associated industries. Agriculture accounts for over 21 per cent of employment in the South Gippsland-Bass Coast region, yet the average age of farmers in South Gippsland is 59. Many young people in the region do not see agriculture and horticulture as a career option. However, in any given week there are between 10 and 15 jobs available in the agricultural or allied industries. The provision to young people of accurate and current career advice on local work and training opportunities in the agricultural and related industries was identified as a key issue in addressing current and anticipated skills shortages.

I would like to congratulate everyone who made the day so successful, and particularly the executive officer of the local LLEN, Caroline Kibble. The LLEN has developed a very close collaboration between private enterprise, the local TAFE and secondary schools and Gippsland Group Training. All the exhibitors and students seemed to believe the day had been very successful, and I am sure it will be repeated in the future.

Harness racing: Hamilton

Hon. DAVID KOCH (Western) — Harness Racing Victoria's controversial V3 plan sees harness racing clubs at Boort, Gunbower, Hamilton, Ouyen, St Arnaud, Wangaratta and Wedderburn losing TAB race meetings at their tracks. These clubs have fought HRV's ill-conceived strategy and will continue to fight for their club's right to race at their local venues. But HRV's 1 July deadline means these clubs are reluctantly forced into running their final TAB meetings. Hamilton Harness Racing Club held its final meeting last Wednesday, where a large crowd gathered to support and confirm that the Hamilton club is viable and active. I congratulate club president, Wayne Yole, and his tireless committee for the splendid way the track was prepared and for the dignified manner in which the meeting was run. The club and the community want to retain meetings at Hamilton and the club will do whatever it can to upgrade the track so that meetings can resume. When the Treasurer was recently in Hamilton at the opening of Glenelg Water's new water reclamation plant, he gave an assurance to the Hamilton Harness Racing Club that if the club met the obligations put to it by Harness Racing Victoria, then he would do all he could to assist Hamilton in regaining meetings. The Hamilton Harness Racing Club and Hamilton community are now looking to the Treasurer to keep his word.

Bayley House: debutante ball

Mr PULLEN (Higinbotham) — I rise to record my thanks to Peter Lee, chief executive officer of Bayley House, for the invitation to officially receive the debutantes together with Faye Barrow at the debutante ball at the Bentleigh Club held earlier this month. Bayley House in Brighton provides support to intellectually disabled adults aged 18 years and older, teaching, improving and maintaining skills through a wide range of programs in a caring, warm and pleasurable environment. At the ball 25 young debutantes and their partners made their debuts. The dancing and the entertainment provided by the Mordialloc Brass Band, which provided its services free of charge, was outstanding. Staff members Natasha Hodgson and Clair Malcolm sang beautifully as did young client Bronwyn Phillips. Gerald Chee delivered a wonderful speech on behalf of the debutantes and everyone had a very enjoyable evening. I make special mention of Kaye Barrow, Leonie Fraser and the staff for their outstanding work in preparing the deeds and their partners. Well done to everyone involved.

Drought: north-west Victoria

Hon. B. W. BISHOP (North Western) — I rise to inform the house of the welcome rains that have occurred across most of Victoria's grain belt. Whilst it is a few weeks late for the rains to strike the optimum planting time in the Mallee, they have been most welcome. Quite unusually there has been a fair amount of crop sown dry, so that should get away very quickly now that we have had these quite reasonable rains. I might say that the growers are desperate to get their crops in as quickly as they can. We will see operations day and night as they do that over the next couple of weeks.

Most of the Mallee has had 20 to 25 millimetres of rain, and as usual some got more and some got less. It has been good rain, although it has come a bit late. We need good finishes to get the good yields that we desperately need after the last eight or nine indifferent years. A number of our farmers are in a precarious position because of those eight or nine very difficult years, and it will take them years to recover. I congratulate the federal government, which has done a good job in supporting farmers, but the state government can do more. It has the perfect chance to do that by getting behind small businesses and service industries throughout the farming communities that are absolutely essential to those communities. Those businesses have done it just as tough if not tougher than farmers, so it is a perfect time for the state government to get behind and support them as we come out of the drought.

Glen Huntly: community forum

Mr SCHEFFER (Monash) — I congratulate the Glen Huntly Progress Group on last week's excellent community forum that launched a Glen Huntly master plan for public discussion. The Glen Huntly shopping centre is in the vicinity of the Caulfield Racecourse, Monash University Caulfield and Glen Eira College and is on the threshold of a long overdue renewal. The state government, as part of Melbourne 2030, together with the City of Glen Eira and local residents and traders who make up the Glen Huntly Progress Group are keen to see the area redeveloped.

The progress group president, Jeremy Hearn, and secretary, Orek Tenen, organised the Improving Glen Huntly community forum to foster local resident discussion on the future development of the Glen Huntly major activity centre. the Department of Sustainability and Environment's director of urban programs, Peter Watkinson, addressed the meeting on Melbourne 2030. The forum focused on the positives. Rather than opening another distracting debate on Melbourne 2030 or the City of Glen Eira's strategy plan, Jeremy Hearn presented the progress group's Glen Huntly vision. This was a product of a number of previous forums where local residents contributed their ideas of what they would like to see in Glen Huntly. Jeremy Hearn produced a concept in line with the best principles of the new urbanism and Melbourne 2030: human scale built environments, medium-density housing, pedestrian thoroughfares, public transport, car parking and modifying the traditional strip shopping street while respecting its values. The lively discussion was an excellent example of what can be produced when community members put their minds and imaginations to work.

Federal budget: tax cuts

Hon. C. A. STRONG (Higinbotham) — I urge members opposite to put aside their support for federal Labor's illogical, selfish and intransigent approach in blocking the tax deductions the federal government wants to give to all Victorians. I urge them to be Victorians first and to lobby their federal colleagues to back down on this stupid and illogical approach that clearly has backfired on federal Labor. I notice that Mr Beazley's popularity has gone down in the polls since he has taken that position — a position that is causing confusion across Victoria. It is making it difficult for businesses to know what to put in their payrolls for the coming year. It is confusing Victorian taxpayers as to how much money they will have come 1 July this year. I urge members opposite to be Victorians first and Labor Party members second and to urge their federal colleagues to get behind the government's tax cuts and clear up the confusion and uncertainty.

Dr Igor Balabin

Hon. KAYE DARVENIZA (Melbourne West) — I would like to inform the house of the death of Dr Igor Balabin, who died on 8 June 2005 at the age of 81. Dr Balabin worked as a general practitioner in the western suburbs for more than 45 years. He was one of the first doctors to start a medical practice in St Albans on migrating to Australia after the Second World War. He was dedicated to his community and committed to his patients. He delivered 3000 babies during his career and maintained contact with many of them — continuing to care for them and their families. His passion for medicine and his love of and commitment to his patients saw him continue to work part time in his practice right up to the time of his death. Dr Balabin received many awards and commendations, including being awarded an honour for meritorious service to the community by the Governor and the Premier at

Government House last year. My deepest sympathy goes to his wife, Nina; to his daughters, especially Mary-Anne; and all his family. Dr Balabin was much loved and will be missed by many.

Asylum seekers and refugees: Vietnamese

Hon. S. M. NGUYEN (Melbourne West) — I have some great news. The Ecumenical Migration Centre of the Brotherhood of St Laurence this morning convened a meeting of eight local agencies and the Victorian chapter of Vietnamese Community in Australia to finalise plans to welcome, house and support the group of Vietnamese asylum seekers who have been granted refugee status and will be arriving in Melbourne this week. The EMC has been working with the Vietnamese Community in Australia national office and me to support the Vietnamese community and workers on Christmas Island coordinate pro bono legal work and care for the group, while also advocating an end to mandatory detention and temporary protection.

When large groups of refugees were released from Woomera in 2000, the state government was pleased to provide a small grant to the EMC to develop basic coordination of housing, health and social support services for temporary protection visa refugees. The EMC has just completed an action plan on behalf of the state government that will enhance coordination and support services across Victoria for one of the most disadvantaged groups suffering deliberate exclusion at the hands of the federal government's punitive policies against boat people. I wish to personally thank the EMC and I especially thank the Victorian chapter of Vietnamese Community in Australia. I thank Sarina Greco, the manager of the centre, and Ainslie Hannan, the coordinator, for their hard work and diligence. I welcome our friends from Christmas Island to Victoria — —

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

Angliss Hospital: waiting lists

Hon. B. N. ATKINSON (Koonung) — I express some concern today about the increase in waiting lists at the Angliss Hospital in Knox. That hospital serves a very important part of the eastern suburbs and has provided sterling service to the outer eastern suburbs, particularly the areas around Knox and Monbulk, for many years. I note that at previous elections the government indicated it would tackle waiting lists, yet I know from statistics provided that in the December quarter of 1999 the waiting list for elective surgery was 531 people and for the equivalent period in 2004 it had blown out to 669 — a 26 per cent increase in the number of people on the waiting list. The semi-urgent elective category waiting list has gone from 235 in the December quarter of 1999 to 306 in the equivalent period of 2004 — an increase of 30 per cent. The government has fudged the figures and attempted to change the reporting periods and method of reporting so there is less scrutiny of the figures that relate to these waiting lists and the community is not able to make a direct comparison. It is clear by whatever measure is used that the government's promise to address those waiting lists has not been met and many people continue to suffer — —

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

Great Otway National Park: establishment

Ms CARBINES (Geelong) — Last Friday I was very proud to accompany the Premier and the Minister for Environment to Moggs Creek along the Great Ocean Road for the announcement of the Bracks government's response to the Victorian Environmental Assessment Council's Angahook-Otway investigation. In the 2002 election campaign the government made a commitment to the Victorian people that we would create a new national park stretching from Anglesea to Cape Otway and end logging in the Otways by 2008. Last Friday, in delivering this promise, the Premier announced that the new Great Otway National Park will comprise over 100 000 hectares and will become Victoria's largest coastal park.

The creation of the Great Otway National Park heralds a new era of protection for the old-growth forests and the threatened flora and fauna of the Otways. It also signals a new era of economic and tourism growth potential for the region, as $13 million was allocated in the recent state budget for the creation of the Great Otway National Park including the employment of 17 additional staff to manage the park. This announcement by the Premier and the historic legislation to be debated this week is the culmination of years of work by many people, including environmentalists, conservation groups, local councils, traders, tourism groups and individuals who have wanted to see the splendour of the Otways preserved for all generations. As a member of the Bracks government I am proud that we share this vision and ensured that the preservation of the Otways will become a reality. I am sure it will be remembered as a hallmark of our second term.

PETITIONS

Monash Primary School: future

Hon. ANDREW BRIDESON (Waverley) presented petition from certain citizens of Victoria praying that a moratorium be placed on the closing of Monash Primary School until a full investigation can be made on what has been done in the past to save the school, what is needed, and if this can be achieved utilising existing and community resources (43 signatures).

Laid on table.

Police: schools program

Hon. W. A. LOVELL (North Eastern) presented petition from certain citizens of Victoria requesting that the state government reinstate the police schools involvement program to build a secure environment for the children of Victoria (10 signatures).

Laid on table.

ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Sustainable communities

Hon. ANDREA COOTE (Monash) presented report, including appendices, together with minutes of evidence.

Laid on table.

Ordered that report be printed.

Hon. ANDREA COOTE (Monash) — I move:

That the Council take note of the report.

Firstly I would like to speak of the members on the committee. The chairperson of the committee is the member for Carrum in the other place, Jenny Lindell. She is to be commended for her stewardship of the committee and for the way the entire inquiry was conducted. The other members of the committee are the Honourable Damian Drum; the member the Macedon in the other place, Joanne Duncan; the Honourable Geoff Hilton; Ms Lovell; and the member the Keilor in the other place, Mr George Seitz. The members of the committee worked extremely well together in a very good example of how committees should operate. There was cooperation, and a great deal of professional work was done across the state. Other committees could take a leaf out of this committee's book as to how the entire inquiry was conducted.

The inquiry could not have been conducted without an excellent executive officer. I put on the record my thanks, and indeed the committee's thanks, to Dr Caroline Williams for the excellent way in which she conducted this entire inquiry. She was ably assisted by Mr David Fairbridge. She was also assisted by Ms Dene Elsegood from April 2004 to November 2004 and by Ms Vanessa Thomas from December 2004.

Members of the committee met with and received submissions from a number of people. The committee travelled overseas. I was unable to go on that overseas tour, but the committee made a comprehensive report. I believe the committee got an enormous amount of information from the tour that was valuable to its inquiry. The tour was professionally conducted, and the chairperson led an excellent deputation from Victoria to groups overseas. We can all feel very proud that a committee from this Parliament conducted itself so well internationally.

Some of the local submissions are listed in appendix 2, such as those from the Department of Sustainability and Environment; the Environment Protection Authority, the International Council for Local Environmental Initiatives, Environment Victoria, the Municipal Association of Victoria, Therma-Wall Industries, Swinburne University of Technology, Moreland Energy Foundation Ltd, Macedon Ranges Shire Council, the Victorian Water Industry Association, Planet Ark, the City of Port Phillip, Environs Australia Projects and on it goes. That shows the depth and breadth of people's interest on this particular topic across the state. I commend and thank all those people who took the effort to write and to put in submissions to the inquiry. It was a very broad-reaching inquiry, and it was very difficult to come up with recommendations that will be sustainable in themselves, but the committee did an excellent job in doing just exactly that.

One of the things we grappled with on a continuous basis was the issue of behavioural versus regulatory change. That was a question the members of the committee grappled with throughout their deliberations and handled very well at the end. If members reflect upon the recommendations they can see how the committee looked into this in a very professional way and came up with recommendations that will bode well for this state into the future.

I certainly request that the government take note of the recommendations because a lot of thought and effort

was put into them. The recommendations include in chapter 6 of the report, 'Environmental education and a strategic approach to environmental sustainability', a recommendation that the Victorian education and behavioural change strategy should contain performance measures that can be used to regularly monitor progress towards outcomes. In chapter 7, 'Promoting household waste prevention and resource recovery', there are 14 recommendations that all have a great deal of merit. I encourage the government to have a close look at and implement those recommendations, because I believe they will make Victoria a much better place. Chapter 8, 'Promoting water efficient households' also has 24 excellent recommendations. Chapter 9 has 22 recommendations — —

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

Hon. D. K. DRUM (North Western) (*By leave)* — I join with Mrs Coote in talking on the Environment and Natural Resources Committee's report. I especially thank Caroline Williams for the work that she did as our executive officer. The committee was given a broad-ranging reference and was forced to whittle the reference down to working out ways we can minimise the waste going to landfill, effectively reduce electricity use by households and reduce the use of water by households. Each of those three main areas were issues of interest as we went around Victoria, into southern New South Wales and also overseas.

We saw interesting examples of the ability of industry to minimise waste and utilise the various types of plastics that in previous times went to landfill. Enormous gains are being made in this field, and we need to be encouraging industry to make those changes. As Mrs Coote mentioned, we grappled with the whole debate about whether we can achieve behavioural change through education or whether we need to force it on people through regulation. Phenomenal gains can still be made in the better use of water and by teaching people about the scarcity of water in certain parts of Victoria. We are wasting billions of dollars on an annual basis by using stand-by mode on most of our electrical products, and the committee did well to recognise that.

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

Hon. J. G. HILTON (Western Port) (*By leave)* — I intend to make a more detailed comment on the report on Thursday, but I would like to join Mrs Coote, the deputy chair of the committee, and Mr Drum in acknowledging that it was a most rewarding experience to be a member of this committee.

It was my first experience of committee membership. I believe we were able to take a bipartisan approach to some obviously interesting and important issues for our state. We had some vigorous debates in the committee, but they never became acrimonious in any way. We were all looking to produce a report with recommendations for the benefit of all Victorians. I believe we did that in this report.

I would like to join the Honourable Andrea Coote and the Honourable Damian Drum in acknowledging the fantastic contribution of Caroline Williams and her team to the production of this report. The terms of reference were very wide ranging. Caroline has produced a report which encapsulates in a very effective way all the broad ranges of evidence and points of view which we as a committee received. It was a very worthwhile experience. I am very pleased to be involved in a committee whose purpose is to produce quality reports and not political point scoring. I am sure we will continue in that way for the rest of this term of Parliament. I am very much looking forward to making a more comprehensive response to the report on Thursday.

Motion agreed to.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Discrimination in the law

Ms ARGONDIZZO (Templestowe) presented interim report, including appendices, together with minutes of evidence.

Laid on table.

Ordered that report be printed.

Ms ARGONDIZZO (Templestowe) — I move:

That the Council take note of the report.

I would like to congratulate, firstly, the chairperson, the member for Mill Park in another place, Lily D'Ambrosio, and all the other members on this committee for the hard work and cooperation that was given. It has been an extremely difficult inquiry with lots of areas to deal with. The committee, as well as the consultants, whom I will mention, have put in a lot of time and effort. The entire committee participated in this inquiry. It is an interim report at this stage and we

have interim recommendations. The staff are Mr Andrew Homer, who is the senior legal adviser; Ms Dominique Saunders, who is a consultant; Ms Nicole Schlesinger, who is the other consultant; and Ms Helen Mason, who also assisted. Simon Dinsbergs and Sonya Caruana did a lot of the legwork and the report writing et cetera.

The committee decided to present an interim report with interim recommendations to give people the opportunity to come forward and be heard at the public hearings, which are the next phase of this inquiry. We hope to encourage a range of individuals and organisations to come forward and give us the benefit of their knowledge and suggestions towards the final recommendations for the report that will hopefully be tabled in September.

Motion agreed to.

Alert Digest No. 7

Ms ARGONDIZZO (Templestowe) presented *Alert Digest* No. 7 of 2005, including appendices.

Laid on table.

Ordered to be printed.

RURAL AND REGIONAL SERVICES AND DEVELOPMENT COMMITTEE

Country football

The Clerk, pursuant to Parliamentary Committees Act, presented government response.

PAPERS

Laid on table by Clerk:

Crown Land (Reserves) Act 1978 —

Minister's Order of 30 April 2005 giving approval for the granting of a lease at Yarra Bend Park (four papers).

Minister's Order of 4 May 2005, giving approval for the granting of a lease at Dimboola Recreation Reserve (five papers).

Minister's Order of 13 May 2005 giving approval for the granting of a lease at Geelong Telegraph Station (four papers).

Minister's Order of 19 May 2005 giving approval for the granting of a lease at Calembeen Park Reserve (five papers).

Minister's Order of 26 May 2005 giving approval for the granting of a lease at Albert Park (seven papers).

Forests (Dunstan Agreement) Act 1987 — Report of Termination of the Dunstan Agreement (two papers).

International Fibre Centre Ltd — Minister's report of receipt of the 2004 report.

Interpretation of Legislation Act 1984 — Notices pursuant to section 32(3)(a)(iii) in relation to Waste Management Policy (Siting, Design and Management of Landfills) and Waste Management Policy (Ships' Ballast Water) (three papers).

Land Acquisition and Compensation Act 1986 — Minister's certificate of 9 June 2005 pursuant to section 7(4).

Ombudsman — Own Motion Investigation into VicRoads Registration Practices, June 2005.

Parliamentary Committees Act 2003 — Government response to recommendations of the Public Accounts and Estimates Committee's Review of the Auditor-General's Performance Audit Report on Services for People with an Intellectual Disability.

Planning and Environment Act 1987 — Notices of Approval of the following amendments to planning schemes —

Bendigo — Greater Bendigo Planning Scheme — Amendments C13 and C54.

Cardinia Planning Scheme — Amendments C46 Part 1 and C49.

East Gippsland Planning Scheme — Amendment C22.

Latrobe Planning Scheme — Amendment C38.

Maroondah Planning Scheme — Amendment C45.

Monash Planning Scheme — Amendments C43 and C55.

Mornington Peninsula Planning Scheme — Amendment C42 Part 1.

Nillumbik Planning Scheme — Amendments C10 Part 1, C22 Part 2 and C34.

Wyndham Planning Scheme — Amendment C56.

Statutory Rules under the following Acts of Parliament:

Births, Deaths and Marriages Registration Act 1996 — No. 35.

Casino Control Act 1991 — No. 38.

Chattel Securities Act 1987 — No. 44.

Conservation, Forests and Lands Act 1987 — No. 48.

Country Fire Authority Act 1958 — No. 43.

Drugs, Poisons and Controlled Substances Act 1981 — No. 39.

Health Act 1958 — No. 41.

Metropolitan Fire Brigades Act 1958 — No. 42.

Road Safety Act 1986 — Nos. 45 and 46.

Serious Sex Offenders Monitoring Act 2005 — No. 37.

Subordinate Legislation Act 1994 — Nos. 36 and 40.

Supreme Court Act 1986 — Corporations (Ancillary Provisions) Act 2001 — No. 47.

Subordinate Legislation Act 1994 —

Ministers' exception certificates under section 8(4) in respect of Statutory Rule Nos. 34, 36, 40, 42, 43, 45 and 47.

Ministers' exemption certificates under section 9(6) in respect of Statutory Rule Nos. 37 to 39 and 41.

Victorian Environmental Assessment Council Act 2001 — Government Response to the Victorian Environmental Assessment Council's Angahook-Otway Investigation Final Report.

Proclamation of the Governor in Council fixing an operative date in respect of the following Act:

Serious Sex Offenders Monitoring Act 2005 — 26 May 2005 *(Gazette No. G21, 26 May 2005)*

NOTICES OF MOTION

Notices of motion having been given by Mr Rich-Phillips:

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I move, by leave:

That the notice of motion relating to Commonwealth Games financial reporting be listed as item 1, general business, notices of motion, on the notice paper.

Motion agreed to.

Further notices of motion given.

BUSINESS OF THE HOUSE

Program

Mr LENDERS (Minister for Finance) — I move:

That, pursuant to sessional order 20, the government business motion to take note of the budget papers 2005–06 and the orders of the day, government business, relating to the following bills be considered and completed by 4.30 p.m. on Thursday, 16 June 2005:

Sex Offenders Registration (Amendment) Bill.

Emergency Services Superannuation (Amendment) Bill

City of Melbourne (Amendment) Bill

Energy Legislation (Miscellaneous Amendments) Bill

Appropriation (Parliament 2005/2006) Bill

Appropriation (2005/2006) Bill

Hon. ANDREA COOTE (Monash) — I would like to comment on behalf of the opposition that it is interesting to note that this chamber has gone on exceedingly well without a business program for most of this session. It is quite extraordinary to see that this level of cooperation has not been acknowledged, and again we have a business program being put in place for us to get through this week. It is a pity that the Leader of the Government has not taken note of the cooperation that has been taking place in this chamber and let us follow a natural course which would have been done with dignity and professionalism.

Motion agreed to.

APPROPRIATION (2005/2006) BILL

Second reading

Ordered that second-reading speech be incorporated on motion of Mr LENDERS (Minister for Finance).

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

Introduction

This budget is about opportunity and prosperity.

It is about using the proceeds of a strong and dynamic Victorian economy to invest for the future — generating new opportunities and greater prosperity across the state and making Victoria the best place in Australia to raise a family.

After five years of strong economic and employment growth, Victoria in 2005 is vital, energetic and optimistic about the future.

That confidence and optimism is attracting more people to our state.

In the past year, Victoria's population growth has exceeded the national average for the first time in 40 years — and Melbourne is now growing more rapidly than Sydney.

People want to live here. They want to work here. They want to invest here. They want to raise their families here.

They are coming here because they know that Victoria is driving ahead.

But more than that: they know that Victoria is a state of opportunity.

They know that this state aims to create as many new opportunities as we can for individuals, families and small

businesses — from the inner suburbs of Melbourne to the smallest country town.

They know that we aim to give every child the best start in life.

We aim to give every young person the best shot at a first-class education.

We aim to give our most disadvantaged people and places the support they need.

We aim to make sure that all Victorians live in clean, healthy and safe communities where their contribution is encouraged, valued and rewarded.

The 2005–06 budget continues to deliver the sound financial and economic management needed to meet these aims and aspirations. The budget continues to build a strong and secure economic future for Victoria, while making sure we go forward as a place of fairness, prosperity and opportunity.

A strong, growing and diverse economy

Over the last five and a half years, the government has delivered a forward looking economic agenda that is building Victoria's reputation as a competitive, innovative and globally connected economy.

We have invested to record levels in education, innovation and infrastructure.

We have cut business costs.

And we lead Australia in competition policy, regulatory and taxation reform.

Unemployment is down and is expected to remain low.

More than 278 000 new jobs have been created and last year Victoria generated more jobs than any other Australian state or territory.

There is more diversity in the range and type of jobs available, our work force is more highly skilled and our labour force participation rate is the highest since 1990.

Victoria is also tackling the national skills shortage better than any other state — and last year, traineeship and apprenticeship completions in Victoria were the highest in Australia.

The great success story of provincial Victoria also continues. In March, the government achieved its target of facilitating $600 million worth of investment in provincial Victoria — three months ahead of schedule. Since 1999, we have helped attract more than $4.3 billion in new regional investment.

More than 70 000 regional jobs have been created and regional population growth is now above 1 per cent per year — compared with the mid-1990s, when people were leaving our country cities and towns in droves.

In the past year, strong employment growth, business investment and consumer spending have driven Victoria's economic growth.

But there are challenges ahead.

Recent national accounts figures confirm that the Australian economy is slowing down.

On the international front, the rise in commodity prices is also putting upward pressure on business costs and the exchange rate, affecting Victoria's trade-exposed sectors such as agriculture and manufacturing.

The combination of an ageing population and declining fertility rates will reduce our working-age population and lead to lower labour force participation rates.

Higher interest rates will also reduce growth in consumer spending, housing and business investment.

These are major challenges — but they are not challenges for Victoria alone.

Victoria has been a strong advocate of a new national reform agenda to drive productivity growth. Our plan calls for a cooperative commonwealth-state approach across five key areas to:

restore competition policy;

deliver world-class infrastructure;

boost work force participation;

increase skilled migration and grow our population; and

reform commonwealth-state relations.

For our part, Victoria is taking action in each of these areas. But we want to work with the commonwealth to drive a genuinely national approach to tackling these critical issues.

Despite two quarters of near negative national growth, Victoria's fundamentals remain very solid, with strong employment growth, high levels of business and infrastructure investment and a substantial pipeline of new construction work.

These solid fundamentals will help Victoria weather the challenges ahead and will contribute to real economic growth of 3 per cent in 2005–06.

Sound financial management

The government's sound financial management has also delivered a stable platform from which to drive growth and prosperity.

Victoria's balance sheet is strong — and our AAA long-term credit rating has been affirmed once again by the international ratings agencies.

For the sixth year in a row, the government will meet its commitment to deliver a surplus in excess of $100 million — with an operating surplus of $365 million in 2005–06 and further surpluses averaging $394 million over the following three years.

At the same time, we have cut taxes, increased investment in vital services and infrastructure and kept both net debt and net financial liabilities at prudent levels.

Over the forward estimates period, the government will utilise the strength of our balance sheet to fund an expanded capital

works program, while net financial liabilities as a share of GSP will continue to decline.

Building Victoria's infrastructure

Over the past five years, the government has invested over $10 billion in infrastructure projects.

Over the next four years, we will invest in excess of a further $10 billion.

We are building landmark projects that will raise Victoria's international profile, such as the redevelopment of Spencer Street station and the new Melbourne Convention Centre.

We are committed to projects of statewide importance that will drive growth, create jobs and stimulate private sector investment, including the EastLink project, the Australian Synchrotron and the channel deepening project.

We are reinforcing Victoria's reputation as Australia's cultural and sporting capital, through projects such as the redevelopment of the MCG, the refurbishment of the State Library and the new Melbourne recital centre and MTC theatre.

We are delivering major new investment in regional economic infrastructure, including upgrades to transport links and freight interchanges, new water and power infrastructure and improvements to country roads and regional rail services.

In the next 12 months alone, net infrastructure investment will reach a record high of $3 billion — and in this 2005–06 budget, we will invest $2.3 billion in new infrastructure projects across Victoria.

The budget provides $300 million for the relocation of the Melbourne wholesale markets — a project that will create a modern and efficient new facility for Victoria's horticulture sector and for the regional communities that rely on the sector.

The budget also delivers substantial new investment in Victoria's road infrastructure, including a further $58 million to complete the duplication of the Calder Highway, $24 million for major road upgrades in Gippsland and $110 million through the Transport Accident Commission for safety improvements on city and country roads.

We continue to improve major arterial roads in Melbourne's outer suburbs at a cost of $97 million — and we will improve safety and reduce congestion at one of the city's worst bottlenecks, the Tullamarine-Calder freeway interchange.

The government will continue to invest in regional infrastructure, providing $11 million for improvements to local ports across provincial Victoria and a further $10 million for the Regional Infrastructure Development Fund (RIDF) — on top of the $360 million already committed by the government to the fund.

RIDF continues to be remarkably successful — investing $212 million in 97 projects across provincial Victoria, leveraging a further $530 million worth of investment and creating hundreds of jobs in regional cities, towns and communities.

Continued leadership on taxation reform

Alongside the Bracks government's national leadership in infrastructure, no other Australian state can match our record on taxation reform.

We have cut payroll tax by 9 per cent.

We have abolished stamp duty on mortgages.

We have cut the top rate of land tax from 5 per cent to 4 per cent.

And we have abolished a raft of taxes identified in the intergovernmental agreement between the states and the commonwealth.

All up, the government has announced tax cuts worth around $3 billion — a massive reduction in costs for Victorian businesses.

In this budget we introduce even more tax relief, with further land tax cuts worth $823 million over five years.

We have listened to what Victorian businesses have told us — and we will provide substantial targeted relief to taxpayers who have experienced large increases in land tax in recent years as a result of rising property prices.

We will significantly reduce the middle land tax rates that apply to property holdings valued between $750 000 and $2.7 million.

We will increase the tax-free threshold by $25 000 to $200 000.

We will bring forward by one year the reduction in the top marginal rate announced as part of last year's budget.

We will provide a general land tax rebate in 2004–05.

And we will cap increases in land tax liabilities in 2005–06 so that no land tax payer will experience an increase in their land tax liability greater than 50 per cent for the 2006 land tax year.

These changes will position Victoria as the state with the lowest land tax rates for small and medium-sized businesses anywhere in Australia.

The changes mean that 98 per cent of Victorian businesses and investors will pay less land tax than in any other Australian state.

For a self-funded retiree with land assets of $1 million, the tax saving is 29 per cent; for a small business with land valued at $2 million, the saving is $11 150 — or 35 per cent.

And we are not stopping there.

We will also exempt from land tax all aged care facilities, other supported residential services and rooming houses, backdated to 1 January 2004. This will remove a significant cost burden on these services and help to ensure their future viability.

The 2005–06 budget also implements the abolition of bank accounts debits tax from 1 July 2005, at a cost of more than $250 million a year — and the abolition of rental business

duty from 1 January 2007, at a cost of around $65 million a year.

In each and every year since we came to office, the Bracks government has delivered substantial taxation relief in one form or another.

But we are not interested in cutting taxes merely as an end in itself. We are using taxation reform as a tool to attract investment to Victoria and to drive employment and new economic opportunities.

We are also rebalancing Victoria's taxation system to make it fairer, more efficient, more competitive and more environmentally responsible.

Investing in education

The government also continues to make Victoria a place where each and every family can be confident their children will receive a first-class education.

We recognise that education is the key to new opportunities.

That is why we have boosted investment in education by more than $4 billion since 1999, built 36 new and replacement schools and recruited an additional 5300 teachers and staff back into Victoria's schools.

We have a great story to tell about the state of education in Victoria in 2005.

Around 85 per cent of young Victorians now complete year 12 or its equivalent — the highest level of any Australian state.

Last year, more trainees and apprentices completed in Victoria than any other state.

Literacy and numeracy levels are up. Class sizes in prep to year 2 are down.

The proportion of Victorians participating in post-compulsory education and training has increased.

The 2005–06 budget builds on these achievements and creates even stronger links between our education system and the knowledge and innovation economy.

In this budget, at a cost of $89 million, we will connect every government school in Victoria to the SmartONE fibre-optic broadband network.

We will give Victorian government schools the best bandwidth infrastructure of any Australian state and one of the best in the world.

We will give every Victorian child in a government school — from the biggest city schools to the smallest country schools — access to a whole new world of learning: from faster Internet access to new online resources and new digital tools and skills.

This exciting initiative is made possible because the government's new telecommunications purchasing strategy has delivered a great outcome for the people of Victoria.

It will create Australia's most complete optic-fibre network and it will trigger major network upgrades throughout the state — generating new opportunities in broadband for local businesses, families and communities, especially in regional areas.

The government also continues to create world-class learning environments for young Victorians.

We will provide $94 million to build or complete 16 new and replacement schools across the state, including Tarneit Primary School, Nichols Point Primary School, Newcomb Secondary College and Wallan Secondary College.

We will modernise a further 50 schools, at a cost of $145 million.

We will also provide $31 million for new specialist facilities in secondary schools in areas such as science and technology, arts, languages, design and music.

Victoria's non-government schools will receive a substantial funding boost of $151 million to help lift numeracy, literacy and retention rates, and target students most in need of additional support.

The Bracks government believes that an investment in education is truly an investment in the future.

We know that education opens doors and opportunities, and we will not stop until we have achieved our aim of making sure all young Victorians receive the education they need to reach their full potential — irrespective of where they live or where they go to school.

Delivering high quality health services

Last month the new Austin Hospital opened in Heidelberg — one of the biggest public hospital projects in Australia.

Last year the Casey Hospital opened its doors — Melbourne's first new suburban hospital in over a decade.

Work has now also started on the new Royal Women's Hospital — a $250 million project that will create a new, state-of-the-art hospital for Victorian women.

And with this 2005–06 budget we begin the redevelopment of the Royal Children's Hospital — delivering even better health care for the children of Victoria.

These are just four of the major health projects being delivered by the Bracks government — projects that are helping to rebuild and restore confidence in Victoria's public health system.

In 1999 the loud and clear message from the people of Victoria was that they wanted their public health system restored and rebuilt. We heard that message, and we have acted on it.

No other government in this state's history has invested so much in our hospitals and health services.

Since coming to office the government has boosted funding for Victoria's health system by a massive 54 per cent.

In its full seven years in office the previous government invested just $850 million in health infrastructure. Over our period in government we have invested $2 billion.

In its seven years in office the previous government closed 12 hospitals. We have rebuilt 26 hospitals.

Victoria's public hospitals are now treating an extra 200 000 people per year — and an additional 5700 nurses and health care staff are back working in the system.

It is a vastly different picture from the run down and neglected health services of a decade ago.

But our health system still faces major challenges.

With health funding making up more than one-third of total budget outlays — and with an ageing population and expensive new technologies pushing up health costs — we have to look at new and better ways of delivering health services.

We have to focus much more strongly on areas such as prevention and early intervention to keep people healthy and well — and out of hospitals.

This budget invests $133 million for hospital diversion programs, community-based early intervention services and greater support to help people with chronic and complex conditions stay out of hospital.

We will invest a further $578 million over the next four years to help Victorian hospitals cope with increasing demand and treat an additional 40 000 patients each year.

We will fund a $30 million blitz on elective surgery waiting lists — with an innovative new strategy that will lead to an extra 10 000 operations being performed over the next two years.

The budget also provides a $153 million boost to emergency care services, with a new 24-hour statewide health assist line, improved ambulance services and new and upgraded hospital emergency departments — including upgraded emergency departments at Geelong hospital, Goulburn Valley health service and Bairnsdale regional hospital.

As well as providing $38 million towards the first stage of the redevelopment of the Royal Children's Hospital, the 2005–06 budget funds major capital projects across Victoria, including:

$25 million to redevelop and extend the Northern Hospital;

$42 million to complete new super-clinics at Craigieburn, Melton and Lilydale; and

$30 million for the new 60-bed Knox health care facility.

We are providing $41 million to upgrade aged care facilities in regional centres, including $15 million to replace and redevelop facilities at Portland district health service and John Pickford House in Ararat.

These are not just sets of figures. They represent a leap forward in children's health services, new standards of care for older Victorians and much higher quality of health care for all Victorians and their families.

Increasing community safety

This budget also continues the government's investment in community safety.

Since coming to office we have provided funding for an additional 1400 police, funded the construction of 100 new police stations throughout the state and provided $360 million for new communications technology for Victoria's emergency services.

It is an investment that has delivered results. Victoria is now the safest state in Australia, with a crime rate 23 per cent below the national average.

Rates of violent crime have fallen significantly since 2000–01, the reoffending rate has been reduced and Victorians' sense of personal safety has improved.

The government is proud of the sustained reduction in crime across Victoria over the past five years and is committed to seeing this positive trend continue.

In this budget we provide $78 million to build or complete 54 metropolitan and country police stations, and provide 12 new mobile police stations.

The budget also allocates $57 million to resource the fight against organised and major crime.

A Fairer Victoria

At the heart of this budget, and at the heart of the government's forward agenda, is a clear and strong commitment to help the most disadvantaged Victorians.

The government is providing more than $780 million over the next four years to implement the government's major social policy statement, released in April.

That statement — *A Fairer Victoria* — sets out 85 detailed actions across 14 strategies as part of a sustained effort over the next five years to create new opportunities for disadvantaged people, families and places across Victoria.

A Fairer Victoria delivers substantial new support for Victorian families and children, indigenous Victorians, young people at risk of dropping out of education and training, and older Victorians.

The statement provides a major funding increase of $120 million to improve support for people with disabilities, giving them much greater choice and flexibility in how they use services to match their particular circumstances, needs and aspirations.

A Fairer Victoria also delivers a $180 million boost for mental health services — the biggest overhaul of mental health care in Victoria for more than a decade.

The government is also taking action to improve access to affordable housing across Victoria.

We will provide $50 million over five years to build new homes for families on low incomes, constructing at least 100 new homes in areas of low housing affordability over the next two years.

In last year's budget, the government committed to a new first home bonus of $5000 for one year to assist first home buyers purchase a property of up to $500 000 — and it has been an extraordinarily successful initiative.

Thanks to the first home bonus, more than 20 000 Victorians have been given a substantial helping hand to buy their first home — and one-third of applicants for the grant are from country Victoria.

The government will therefore extend the first home bonus for a further two years — providing a $5000 grant until the end of December 2005 and a $3000 grant for an additional 18 months until 30 June 2007.

This extension of the first home bonus will help many more young Victorian families buy their own homes.

Growing and linking the state

Alongside major new investment in Victoria's roads, the government also continues to encourage much greater use of public transport.

In this budget we provide $76 million to improve bus services across the city, giving people better access to schools, shopping centres and community services — especially in Melbourne's growing outer suburbs.

We will commence the redevelopment of North Melbourne station.

We will almost double the number of vehicle and pedestrian rail crossings receiving safety upgrades.

And we will begin the process of improving public transport options in the Dandenong growth corridor.

Maintaining Melbourne's livability and reducing urban sprawl remains a focus of the Bracks government, and the 2005–06 budget provides an extra $53 million to implement key projects under the Melbourne 2030 strategy.

The budget also introduces a new long-stay car parks levy in Melbourne's CBD to reduce traffic congestion, encourage the use of public transport and maintain Melbourne's status as one of the cleanest and most livable cities in the world.

All revenue raised from the levy will be used to fund transport initiatives across Melbourne.

The budget also includes new measures for motorists.

Victoria's motor vehicle costs — registration fees, third-party insurance premiums and licence renewal fees — are already among the lowest in Australia, and these new measures will be of further benefit to motorists.

From July 2005, all revenue raised from traffic cameras and on-the-spot speeding fines will be channelled back into roads and road safety initiatives.

From January next year, pensioners and health care card holders will have the option of paying their car registration and compulsory third-party insurance premium half yearly.

The government will also reward safe driving by providing a 25 per cent discount on drivers licence fees to motorists who have not lost any demerit points in the three years prior to renewing their licences.

Stimulating investment, innovation and sustainability

The budget also funds important initiatives that will help attract investment, drive a more innovative economy and improve the sustainable use of Victoria's natural resources.

The government continues to cut the cost of doing business in Victoria.

With effect from 1 July this year, the government will cut the WorkCover average premium rate by 10 per cent — equal to the lowest level in the scheme's history and saving Victorian businesses $170 million a year.

These cuts follow the 10 per cent cut in premiums in last year's budget — and we can make these reductions because Victoria now has the best managed workplace injury scheme in the country and one of the few in Australia that is fully funded.

Since coming to office, the Bracks government has restored common-law rights for seriously injured workers, boosted workers' entitlements and introduced reforms to make it easier for injured workers to return to work.

Through responsible management of WorkCover, the government has delivered both improved benefits for injured workers and competitive premiums for business — a very significant achievement.

The government also continues to drive innovation across the Victorian economy and is providing $106 million to drive new investment in energy technologies to ensure a secure energy supply, maximise industry competitiveness and reduce greenhouse gases.

As part of this program, the energy technology innovation strategy (ETIS) will allocate $84 million to explore the development of large scale, precommercial demonstration plants to trial new clean brown coal technology in the Latrobe Valley.

This substantial investment will boost Victoria's growing environmental technologies sector, reduce greenhouse gas emissions and further enhance our reputation as a leader in innovation.

Victoria is also building a strong international reputation in biotechnology.

The government will invest $8.4 million to improve Victoria's clean, green agricultural credentials by better managing the risk of plant pests and diseases.

We are also looking to the future, providing $5.8 million for feasibility studies, planning and design work to establish a national biosecurity centre — aiming to make Victoria a leader in biosecurity, bioterrorism protection and plant and animal disease management.

Victoria's national and state parks contain a truly priceless and magnificent heritage.

Well maintained and properly protected parks make Victoria a great place for families — and are also vitally important to our international reputation and our tourism industry.

In this budget, the government provides an additional $92 million to protect and care for our parks heritage.

We will expand the Otway Ranges National Park, take greater action to control weeds and pests in our parks, upgrade park assets and reserve land that may be needed for future parks.

Reducing waste and improving efficiency

The government's capacity to continue to invest in and improve vital services and infrastructure also relies upon efficient administration.

In this budget, the government has identified savings across government departments totalling $532 million over the next four years.

These significant savings will be achieved by reducing duplication and waste, increasing administrative efficiency and centralising print, media and communications services.

Appropriation bill

The Appropriation (2005/2006) Bill provides authority to enable government departments to meet their agreed service delivery responsibilities in 2005–06.

The bill supports a financial management system that recognises the full cost of service delivery in Victoria and is based on an accrual framework.

Schedule 1 of the bill contains estimates for 2005–06 and provides a comparison with the 2004–05 figures. In line with established practice, the estimates included in schedule 1 are provided on a net appropriation basis.

These estimates do not include certain receipts that are credited to departments pursuant to section 29 of the Financial Management Act 1994.

In the late 1990s, Victoria was the first Australian state to adopt accrual accounting. That leadership continues with the 2005–06 budget being one of the first financial reports in the nation to be prepared under the Australian equivalents to the international financial reporting standards.

The budget has once again been reviewed by the Auditor-General as required by the standards of financial reporting and transparency established by the Bracks government in 2000.

Conclusion

In less than a year Victoria will host the 2006 Commonwealth Games.

It will be a wonderful celebration of our state and nation, our way of life and our unrivalled capacity to host great international events.

Tens of thousands of visitors will be in Victoria for the Commonwealth Games.

They will see and experience a state that celebrates its diversity and multiculturalism; that takes great pride in its reputation as Australia's cultural, sporting and creative capital; and that looks to forge new connections and relationships with the rest of the world.

Those visitors will feel the sense of vitality that now exists in Victoria.

They will feel the confidence that comes from a dynamic and productive environment that is attracting the best, the brightest and the most creative people.

As Victoria counts down the days to the 2006 Commonwealth Games, the government continues to invest in making Victoria a place that we will be proud and pleased to show to our interstate and international visitors.

We will show our visitors a Victoria that is unshakeable in its aspiration to give every child the best possible start in life — and continue to give each individual the opportunity to succeed through school, through the later years of education and into adult life.

We will show them a place that stands for fairness.

We will show them a place that stands for opportunity.

Decent affordable housing.

World-class schools, classrooms and teachers.

State-of-the-art public hospitals and health services.

Modern, reliable transport systems.

A dynamic, competitive and innovative business environment.

Strong and diverse communities.

Clean air and water — and the legacy of a unique and magnificent natural heritage passed on to future generations.

These are the things Victoria stands for. These are the things which we value and respect. And these are the hallmarks of the Bracks government's term in office.

The 2005–06 state budget builds a fairer and more prosperous Victoria — one that is ready to withstand the challenges that lie ahead.

The budget delivers real opportunity to every corner of the state and makes Victoria the very best place in Australia to bring up a family.

I commend the bill to the house.

Debate adjourned for Hon. PHILIP DAVIS (Gippsland) on motion of Hon. Andrea Coote.

Debate adjourned until next day.

APPROPRIATION (2005/2006) BILL and BUDGET PAPERS 2005–06

Concurrent debate

Mr LENDERS (Minister for Finance) — By leave, I move:

That this house authorises and requires the President to permit the second-reading debate on the Appropriation (2005/2006) Bill to be taken concurrently with further debate on the motion to take notice of the budget papers 2005–06.

Motion agreed to.

APPROPRIATION (PARLIAMENT 2005/2006) BILL

Second reading

Ordered that second-reading speech be incorporated on motion of Mr LENDERS (Minister for Finance).

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

The bill provides appropriation authority for payments from the consolidated fund to the Parliament in respect of the 2005–06 financial year including ongoing liabilities incurred by the Parliament such as employee entitlements that may be realised in the future.

Honourable members will be aware that other funds are appropriated for parliamentary purposes by way of special appropriations contained in other legislation. In addition, unapplied appropriations under the Appropriation (Parliament 2004/2005) Act 2004 have been estimated and included in the budget papers. Prior to 30 June actual unapplied appropriation will be finalised and the 2005–06 appropriations adjusted by the approved carryover amounts pursuant to the provisions of section 32 of the Financial Management Act 1994.

In line with the wishes of the presiding officers, appropriations in the bill are made to the departments of the Parliament.

The total appropriation authority sought in this bill is $77.8 million (clause 3 of the bill) for Parliament in respect of the 2005–06 financial year.

I commend the bill to the house.

Debate adjourned for Hon. BILL FORWOOD (Templestowe) on motion of Hon. Andrea Coote.

Debate adjourned until next day.

SEX OFFENDERS REGISTRATION (AMENDMENT) BILL

Second reading

Debate resumed from 26 May; motion of Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources).

Hon. RICHARD DALLA-RIVA (East Yarra) — I rise to make the opposition's lead contribution on the Sex Offenders Registration (Amendment) Bill, and in doing so indicate its support for it. I believe I was also the lead speaker on the principal bill when it was first brought before the house last year. In that context I raised a number of concerns that opposition members thought ought to have been adequately dealt with prior to the introduction of the bill. I went back through the contributions made at that time, and I will refer to some of the discussions I had on the principal bill.

The registration of sex offenders is nothing new in the Western World. In 1947 California became the first place to establish a reporting regime for sex offenders. A number of studies in the United States of America followed on from that, relating principally to the capacity of statutory authorities or law enforcement agencies, including the corrections and justice areas, to adequately ensure that registered offenders complied with the requirements set out not only within legislation but also by the courts. It is interesting to go back and look at some of the studies. In 1973 a study found that only 54 per cent of sex offenders in California were registered. In 1981 that had increased to 72 per cent, and by 1996 that figure had risen to 81 per cent. As I said in the earlier debate, that means that roughly 20 per cent of sex offenders were still not registered, even though there was a legal requirement for registration.

In the United States of America the 1994 rape and murder of 7-year-old Megan Kanka resulted in legislation being brought in in 1996. It became apparent that legislative requirements were not strict enough and President Clinton established mandatory reporting under what is now known as Megan's Law. That law was a forerunner to the legislation that we brought in last year. Obviously there is a connection with this amendment bill, and I am proud to say that the opposition will support it in its entirety.

I gave that background because this bill still fails to provide for the compulsory notification of a sex offender — in other words, my understanding is that it is still not mandatory for a sex offender to be registered. It is still a requirement that sex offenders report under a required time frame, but it might be shorter. I think before there was a certain time frame, and although the legislation brings in a shorter time frame, the onus is still on the sex offender to register themselves. That contrasts with the bill we debated earlier this year, the Serious Sex Offenders Monitoring Bill. From the title of that legislation one would assume it would encapsulate all serious sex offenders who are monitored, but as we know from the debate in the committee stage of that bill it does not include serious sex offenders who commit sex offences on adults, it only applies to children. I again raise the example of the silver gun rapist, who could be serving time in prison or be out on parole and who would be under no compulsion to register.

I say that because the government might say, 'Hang on, if they do not register they commit an offence'. That is true, but there is no compulsion by the legislation to require somebody like the silver gun rapist to be put on the register by a government agency. I see that as a major flaw in relation to this legislation.

We have the opportunity to remedy that now through some detailed amendments. The legislation was obviously put through and there are a number of things that need to be changed, but there is none of that requirement in terms of providing for compulsory registration of a sex offender who falls outside the requirements of the Serious Sex Offenders Monitoring Act 2005, which is principally an act for monitoring sex offenders who commit acts against children. There is nothing in this amendment bill before the house that I would suggest requires the compulsion of somebody like the silver gun rapist, the Balwyn rapist or any of those types of offenders, sick as they may be, to register. The onus is still on the sex offender, and I think that is a significant and major flaw. I would like to think the government would at least look at this in the future, hopefully for further amendment.

I will take up some of the issues we raised last year in relation to the concerns that there was no legislative compulsion for the notification of a change of name nor for the courts to provide information directly to the registrar. I note that there is now in the legislation an amendment to provide for the notification of that information via the registrar of births, deaths and marriages, and that is good. Within clause 20 it provides for notification of personal information in the register of sex offenders. Again, that is an important amendment to the bill in terms of tidying up some of the issues. There are obviously other tidying up components, but it disappoints me that we have to go through a significant amendment regime when I indicated to you earlier that this type of registration has been in existence, certainly in other parts of the world, for a very long time.

I note that among some of the 'feel good' stories the government has put out an article appeared on page 11 of the *Herald Sun* of 6 June. I am happy to table it. The government does not seem to want to table anything, but I am happy to table it if it wishes. The Minister for Police and Emergency Services and Minister for Corrections in the other place has indicated that there are now 398 convicted sex offenders registered on a computerised database, and obviously that was an important component. I also note that 26 of those 398 have transferred to other states and Victoria has received 11 registrable offenders from interstate. As we know, the legislation was part of a national process arising from the police ministers conference, and I think it is important that states are working across borders in relation to tracking these particular offenders.

I also note that the legislation before the house tidies up some of the issues about mentally ill offenders — those who are found to be not guilty due to mental impairment but are instructed to take a non-custodial program. I have to say for the record that I recently attended the Ararat prison to observe the programs that are operating out of that jail. It is a jail designed for and dedicated to dealing with sex offenders. I have to say that you would have to pray that these offenders will register when they come out, because I can tell you they are still dangerous even while they are in jail. The parole board is doing its damnedest to try and gain some control, but it has certainly put fear into me to realise that there are people who genuinely still believe — even though they have been convicted by a jury and are now serving a term of imprisonment — that they are not sex offenders and therefore really are in there for the wrong reasons. To me, that was quite scary.

In a roundabout way I am trying to say that despite the best intentions of the amending legislation to try and encapsulate and capture serious or sex offenders, the realities are, having seen it first hand — and I am sure those who are in the sector where they have to deal with it would agree with the opposition — that it is not as clear cut as hoping the sex offender will walk out the door to register straightaway, even though he might be under strict parole conditions. I genuinely see that that is not the case. I would actually strongly argue that if we were in government that would be a significant legislative change we would make — to make compulsory, mandatory, the registration by the required reporting authority of any sex offender before they leave that prison or court.

There is also a question about issues relating to the time line between frequency of reporting by offenders, such as the issue about 12 months and whether the 14-day reporting requirement is sufficient. Concerns were also raised by operational police about the fact that there is still no provisional power given to police or corrections officers to verify the information provided by offenders — in other words, the offender could give a false address, or the registered sex offender could give a false address. It appears there is still a loophole in terms of those offenders not having to provide it. I am very pleased, however, that there is now the capacity for the compulsory taking of photographs of these offenders. The realities are that, as it says in the second-reading speech and in the explanatory memorandum, sex offenders are high recidivists and there need to be levels

and layers of ensuring that their devious ways are continually monitored and observed. When you maintain that observation, you limit the capacity of that person to reoffend.

These are important things which have been missed in the legislation. This is a criticism, but it is a criticism in a positive light. I do not know why the government and other legislators do not say in legislation that the information should be provided on a mandatory basis. I do not understand why we still rely on offenders. I understand that an offender who has served his time has rights, but I have to say they are outweighed by the rights of the community when we know there is significant evidence to suggest that those who commit rape or child-sex offences have a higher level of reoffending. With that being common knowledge and with Western societies now having a very serious hit at trying to ensure that sex offenders are well monitored and the community is well protected, I think there are some missed opportunities in this legislation.

I would like to hear from government members why we still do not have the opportunity to compel that information. I am sure members opposite will provide that reasoning. I just hope it does not come from the bureaucrats who prepare the briefing papers. I hope members opposite have asked why that is the case. There may be a legitimate reason, but I struggle to see what it could be. I can understand that the government has tidied up the legislation in other areas such as the registrar of births, deaths and marriages, which is appropriate. The changes affecting mentally ill offenders who have committed crimes are appropriate. These provisions did not previously apply to juvenile detainees but will now, and that is appropriate. However, we come back to the principal issue. We argued this last time, and we will argue it again this time: it seems ludicrous to not have appropriate requirements for reporting and registration.

We are still heading in the right direction. In 1947 the United States of America was the first country to establish a registration regime, but it took until 1996 before it was enacted in a significant law that applied across the whole of the country. We are in the early days. I know that in this particular area the government will be doing its damnedest to try to ensure it delivers an appropriate regime. I hope it will look at this and come up with a better outcome in the future. We know a significant number of offenders have reported. We probably would not be able to find out, but it would be interesting to know how many sex offenders have completed their terms and should be listed on the register but are not. What requirements are there in the legislation? There are none to enforce registration. Apart from the offenders breaking the law, there is no compulsion within the legislation for that information to be provided.

In my experience, once these offenders are out in the broader community, they can disappear if they want to. They can certainly do so if we have no location and all the other details that would be provided on the registration form. At least if we had the registration forms that recorded those sex offenders before they were released, they would have to be checked. We are not talking about thousands of offenders, we are talking in the hundreds or even in the tens every six months, so it would not be difficult to check on offenders, find out where they are going and what they are doing, and verify their cars and other details. I understand there is still some confusion about the dissemination of information between the registration unit and Victoria Police. At the end of the day there needs to be cooperation. It is no use sitting there operating under some guise of the Privacy Act when we know we have sex offenders out there who need to be monitored and tracked and have an eye kept on them. With those final words, I look forward to the amendments in the bill moving forward fast, but I raise some serious concerns about the underlying principles and issues.

Hon. P. R. HALL (Gippsland) — I am pleased this afternoon to present the position of The Nationals on the Sex Offenders Registration (Amendment) Bill. At the outset I indicate that The Nationals supported the Sex Offenders Registration Act 2004 and will be supporting this amending bill. It is interesting to note that the principal act went through six or eight months ago, yet here we are with a substantial range of amendments to it. That surprises me to some extent, particularly given that, while not exactly the same, this legislation is comparable to legislation of a similar nature in all other states of Australia. I would have thought that the experience of the concurrence of such acts would not have necessitated so many administrative changes. I understand some of these changes have been identified through the experience of registering more than 300 offenders currently in prison. One would expect that there may be some issues to be ironed out, but I am just a little surprised that so many amendments are required to an act that was debated by this Parliament less than 12 months ago. Nevertheless, we are prepared to support these amendments.

I noted with interest that the Honourable Richard Dalla-Riva mentioned that some of these amendments were flagged during debate on the original bill last year. It is pleasing that the government has now come back to amend the principal act at the suggestion of the opposition parties, but I agree with the comment that it

is a pity that we could not have fixed up some of those things when we were first debating the legislation. However, it is better late than never, because this is an important issue. As parliamentarians — the people who set the law here in Victoria — the people we represent expect us to be tough on crime, particularly in relation to paedophilia and other sex offences. The general public expects us to be strong and diligent with the laws relating to offences of that nature.

The amendments before us today strengthen some of the provisions of the Sex Offenders Registration Act 2004. I want to briefly mention five or six of those provisions. The first is the amendment to section 34 of the principal act, which ensures clarity in calculating the length of a registrable offender's reporting period. It ensures that people are treated in the way they deserve. It clarifies that, if a person has committed one or more of particular classes of offences, the period of registration on the sex offenders register is commensurate with the number and level of offences committed by that person. The bill clarifies that issue. I think it is a fairly commonsense amendment that all would agree with.

The second group of amendments means there is more effective application of the principal act to sexual offenders required to report in another state or territory. As described by the minister in the second-reading speech, these amendments are designed to prevent people who may have committed a sexual offence in another state from moving to Victoria and avoiding their reporting requirements. This particular group of amendments will mean that, if somebody has been registered as a sexual offender in another state and moves to Victoria, they will be required to report to the Victorian register. That circumvents anybody trying to avoid their reporting requirements.

The third area I want to mention is where this bill amends the Sentencing Act 1991 and clarifies that a court must not have regard to whether a person is a registrable offender when imposing a sentence for a sexual offence. Again, I think this is a sensible measure. The risk is that if, at the same time as a sentence is being considered, the judge may also be considering an issue about being registered on the register of sex offenders, as that sentence may be lighter than it would otherwise have been. I think it is appropriate that these two issues be considered separately. First of all, the judge should make a decision about the sentence the sexual offender is to receive, and then after that — and only after that — a decision regarding registration as a sex offender should take place. I note the provisions in this bill mean that an application for registration as a sex offender can take place up to 30 days after the sentencing has taken place.

The fourth area I want to mention in this bill concerns the amendment to the Births, Deaths and Marriages Registration Act 1996. That requires the registrar of births, deaths and marriages to notify the Chief Commissioner of Police that a person who has been listed as a registered sex offender has changed his or her name or gender. As Mr Dalla-Riva said, this was an issue that was raised by the opposition parties during the course of this debate. There needs to be some mechanism in place so that we can keep track of these people, and if there was a change of name, or indeed a change of gender, there needs to be a mechanism by which that particular change could be notified to the registrar or the Chief Commissioner of Police as the persons responsible for an accurate and up-to-date list of the registrable sex offenders. The amendment to the Births, Deaths and Marriages Registration Act will ensure that that takes place, and we welcome that.

The fifth area of the bill allows a member of Victoria Police to arrange for any distinguishing marks on a registrable offender to be photographed with that person's consent, and if that person does not consent, then reasonable force is allowed to ensure that that happens. That is purely designed to ensure that persons are identified better. Again, The Nationals have no particular worry with that provision and think it is a sensible one. I understand, according to the minister's comments in the second-reading speech, that particular provision came out of a recommendation by the Australasian Police Ministers Council.

The final area I wanted to mention is that the bill also permits the registrar of the sex offenders register to disclose information to courts for judicial functions and activities. Again, I think that is an important provision. With the privacy issues being accounted for in related clauses to this amendment bill, I think it is quite appropriate that the person holding information about sex offenders' registration can convey that to the courts if there is a need to do so. Again, I think that is a sensible provision.

These are a set of amendments that go back to an act that was debated just 12 months ago. It was groundbreaking legislation so we expected that there may be some amendments in the future. However, as I said at the outset, it surprises me that we had to go through so many. Nevertheless, if this bill makes the principal act a better act and tightens the provisions relating to sex offences, then it has the support of The Nationals.

Ms MIKAKOS (Jika Jika) — I rise today to speak in support of the Sex Offenders Registration (Amendment) Bill. I indicate to the house at the outset that the government appreciates that both the opposition and The Nationals have also indicated their support for this bill. I am particularly proud to support this legislation which genuinely seeks to protect the community from the horrible crimes committed by sex offenders — in particular, to protect the community from those offenders who commit their crimes against the most vulnerable members of our community, our children and our young people. It is reassuring that Victoria now has the toughest regime in Australia for dealing with sexual offenders and there would be very few members of the public who would take issue with this fact. This government has listened to community concern about offenders who commit sexual crimes and has acted appropriately to protect the community.

Members would be aware that Victoria was also one of the first jurisdictions to introduce a register of sexual offenders in accordance with the national scheme. In fact the scheme we have here in Victoria goes above and beyond what is required by the national scheme. Our scheme includes the ability of courts to opt to put serious sexual offenders against adult victims on the register. Of course the registration of offenders who commit sexual offences against children is automatic because it is mandated.

Victoria's registration and monitoring scheme of sex offenders was established through the Sex Offenders Registration Act 2004 and the Serious Sex Offenders Monitoring Act 2005. The amendments put forward in this bill seek to clarify the operation of the provisions in the two initial pieces of legislation and the government makes no apology for the fact that the bill seeks to make technical amendments to the initial pieces of legislation. It needs to be acknowledged, as the Honourable Peter Hall said in his contribution, this was groundbreaking legislation. It put in place a new regime that has imposed many new responsibilities in a different place in the criminal justice system and it is inevitable that following careful consideration, seeing the regime in operation and receiving further legal advice, the government would seek to finetune this regime and seek to make it work even better.

The government has received advice from legal experts and experts in the field of sexual offenders and has taken on board their advice that there were ways that we could make improvements to the current legislation. What the bill seeks to do is to amend the Sex Offenders Registration Act to clarify the scope and extent of a person's obligation to report to police and to enhance the effectiveness of the scheme in relation to children who, as I said, are society's most vulnerable members. In addition, the bill seeks to clarify the scope of the offences in the schedules to the Sex Offenders Registration Act and the Serious Sex Offenders Monitoring Act. The amendments inserted references to schedule 1 of the Sentencing Act 1991 to capture sex offences that have since been repealed and/or re-enacted and updated.

They also clarify which court is able to hear an application for an extended supervision order under the monitoring act.

The need for these amendments arose due to an unforeseen technical issue identified by Queen's Counsel providing advice to government on the application of the new scheme. The Bracks government is serious about tackling this issue and, through these amendments, seeks to minimise the risk of legal challenge to the provisions. It is important to note that these amendments do not expand or reduce the scope of the offences in the schedules to either the registration act or the monitoring act; they simply clarify their application.

The length of the reporting period applied to an offender is either 8 years, 15 years or life. This is determined by the nature of the offence, the number of offences for which the offender has been sentenced and whether the offender is currently registered. The current reporting periods, however, have the potential to cause inconsistencies and perverse outcomes. For example, a shorter reporting period could apply to an offender who commits a single offence compared to offenders who may commit several more minor offences. Therefore, to avoid the possibility of such an outcome the bill will amend section 34 of the registration act to ensure clarity in calculating the length of a registrable offender's reporting period.

The following reporting periods will apply for the following offences for which someone has been found guilty. A single class 2 offence — for example, indecent assault — will have a reporting period of 8 years; a single class 1 offence — for example, sexual penetration of a child — will have a 15-year reporting period; two class 2 offences — for example, indecent assault of a child and an indecent act with a 16-year-old child — will have a 15-year reporting period; two or more class 1 offences — for example, sexual penetration of a child and facilitating sexual offences against children — will mean reporting for life; one class 1 offence and one or more class 2 offences — for example, sexual penetration of a child and two indecent assaults of a child — will mean reporting for life; and three or more class 2 offences — for example, two

indecent assaults of a child and an indecent act with a 16-year-old child — will also involve reporting for life. These periods more adequately reflect the nature of the offences committed and the potential risk that an offender poses to the community. I understand these reporting periods will apply only to persons sentenced for registrable offences on or after the commencement of the amending act.

The bill will also enable the more effective application of the registration act to sex offenders who are required to report in another Australian jurisdiction. It will require that all registrable offenders who relocate to Victoria from another state or territory must continue to report to the Victorian registrar for the remainder of the reporting period imposed by the sentencing court in their home state or territory. That is regardless of whether the offence for which they were registered would make them a registrable offender under Victorian law. This will ensure that a registrable offender does not attempt to evade the reporting requirements in another state or territory by moving to Victoria. The bill also provides for correspondence between the states of registrable offenders, so all registrable offenders who relocate from another state or territory to Victoria will report to Victoria Police as intended by the courts in their home states. This amendment is designed to protect against state skipping.

I note also that the bill proposes to amend the Sentencing Act to clarify that a court must not have regard to whether a person is a registrable offender when imposing a sentence for a sexual offence. It has become evident that the reporting obligations under the act have been taken into account when imposing a sentence on a person convicted of a sexual offence. Currently the act provides that the court must make a sex offender registration order if the prosecutor makes an application for the making of an order and the order must be made concurrently with the imposition of a sentence. There is also an amendment to the Sentencing Act 1991 to clarify that a court must not have regard to whether a person is a registrable offender subject to reporting orders when imposing a sentence for a sexual offence.

The bill also proposes to amend the registration act to enable the prosecution to make an application for the making of a sex offender registration order up to 30 days from the date the offender is sentenced. In addition, the prosecution will be able to stay the application when an appeal by a registrable offender against a finding of guilt or a sentence in respect of a registrable offence is pending.

The bill will also amend the Births, Deaths and Marriages Registration Act 1996 to require the registrar of births, deaths and marriages to notify the Chief Commissioner of Police that a registrable offender has changed his or her name or gender. This amendment will enable authorities to know the whereabouts of an offender who may be using a change of name, or, in a more extreme case, a change of gender, to avoid their reporting obligations. By knowing where an offender is located at all times it is possible to reduce their opportunity to commit further offences.

The Births, Deaths and Marriages Registration Act has built-in safeguards which provide for the privacy of individuals while also ensuring that the objectives of the registration act are met. I note in this respect in particular that information privacy is protected by serious penalties in the Sex Offenders Registration Act, including possible imprisonment for those who improperly disclose personal information held in the register.

As was agreed with the approaches taken by the Australasian Police Ministers Council, the bill will authorise a member of Victoria Police to arrange for any distinguishing marks, including tattoos, on a registrable offender to be photographed with that person's consent. If the registrable offender refuses, reasonable force may be used. This amendment is a tool available to police to collect accurate and up-to-date identifying information about offenders on the register to further facilitate the investigation and prosecution of any future offences — or indeed even solve unsolved past offences.

I note also that the bill requires the sentencing court to notify a registrable offender of the length of his or her reporting period. Therefore, the sentencing court needs to know if an offender is a registrable offender and the number and classes of offences the offender has been sentenced for. This amendment will allow the registrar of the sex offenders register to disclose relevant information to courts for judicial functions and activities. Once again I reiterate that information privacy is protected by serious penalties in the act, including a possible prison term for those who improperly disclose personal information held in the register. The registrar is able to provide relevant information of sex offender registrants to operational police in the course of their investigation of relevant — that is, sexual — offences. This relates to concerns raised about the capacity for Victoria Police to properly enforce the mechanisms that are in place and to make sure that the legislation is as effective as possible.

Finally I would like to make some brief comments on the issue of the onus of reporting and to clarify some comments that were made by members of the opposition. The onus of registration and reporting to the register of sex offenders is placed upon the offender. It is up to them to provide accurate and reliable information to the registrar. Under section 47 of the Sex Offenders Registration Act it is an offence for a person to furnish information that is false or misleading. I understand that under these legislative arrangements the maximum penalty for a breach offence is 240 penalty units or two years imprisonment.

The provisions of the act offer scope for the verification of information provided to police by a registrable sex offender. This allows police to detect breaches, and I understand there have been two cases where such breaches have been detected. Breaching is a serious offence, and there is a serious penalty in place for offenders who do not meet their obligations under the legislation. In my view that is an appropriate and effective penalty.

By way of conclusion, I say that my views on the predatory nature of some sex offenders, in particular sexual offenders against children, were documented in my contributions to the debate on the original pieces of legislation. I have not sought to go over that material again today; I have focused more on the nuts and bolts of the amendments and the finetuning of the sex offender regime that we are putting in place. I said I think during the course of the previous debates that extraordinary crimes require extraordinary responses. However, the lead opposition speaker acknowledged that where these regimes have been in place — in the United States and other places — for a long period of time they have not been panaceas and unfortunately these offences have continued. This government has never sought to present this regime as a panacea either.

It is incumbent upon all of us as members of the community and as parents to be eternally vigilant about these kinds of matters. However, this regime is an important step in offering the Victorian community protection from the actions of registered sex offenders. I reiterate my thanks to the Liberal Party and The Nationals for their support for this important legislation. I commend the bill to the house.

Hon. ANDREA COOTE (Monash) — From time to time in this place we get an opportunity to show what the community expects us to do. This is one of those bills about which each one of us can be proud that we have a united approach. We can be proud that there is a level of commitment and cooperation against sex offenders in our community. It is pleasing for me to stand here and speak on this bill in conjunction with the government and The Nationals and to voice our concern about sex offenders within our community. Our community expects leadership and direction from us as politicians. This is one of the bills that enables us all to do our job very professionally and well.

In another Liberal Party contribution the Honourable Richard Dalla-Riva outlined some concerns and went into great detail on elements within the bill, but for clarification I note that the purpose of this bill is to clarify and extend provisions in relation to the register of sex offenders and reporting obligations. It further clarifies who is subject to mandatory registration, which I think Ms Mikakos outlined very ably just a moment ago. The objective of the register is to reduce the recidivism among certain types of serious sex offenders and assist the future investigation of offences. From the Liberal Party's point of view it is very pleasing to see that this fixes several previous weaknesses that were highlighted by us. This shows good governance on behalf of all Victorians.

We have spoken about sex offenders today; all of us condemn sex offenders and sexual offences against children. It goes to the very core of what worries all of us in this chamber and community. These people are to be condemned; and then they are to be helped once we have got them into corrective organisations. But it is not just children who are affected. In my portfolio area as shadow minister for ageing and carers it is important to understand sexual offences against the elderly. I would like to share a story with the chamber. It is a story of a callous and brutal attack of a sexual nature which took place in Victoria in December 2002. This is a graphic example of why it is important that this bill is here for us to deal with today.

A man aged 24 spent the night at a suburban nightclub with friends. He then left and stalked a terrified 73-year-old woman as she walked her dog at 6.15 a.m. The attacker then returned to follow the lady the next day. This is premeditated; he went back to have a look. This time he arrived with a crowbar and grabbed a different 60-year-old victim from behind. The attacker, Simon Jacob Smith, then proceeded to abduct, rape and bash the woman. It was said in the County Court that the crime had a devastating effect on the raped woman. This was a vulnerable woman going about her own business and not expecting to be grabbed, raped and bashed. The attacker was convicted and jailed for at least seven years. He was indeed a recidivist. It is important to understand that this is the type of person we need to see on the sexual offenders register, which is dealt with in the bill before the house today.

But that is not the only case. There is another case. The *Herald Sun* of 10 May 2003 reports on another case, which is equally distressing and disturbing. The article states:

> … the County Court heard Lucic, 34, broke into the Murrumbeena home of a widow, 68, and attacked her with karate chops to the head in December 1991. He raped her and then stole her jewellery and money.
>
> Almost five years later to the day he broke into the St Kilda flat of another widow, 83, who, despite being severely beaten, managed to fight him off.
>
> The woman suffered a fractured cheek and rib.

Can you imagine how distraught this woman would be and how distraught her family would have been? In summing up Judge Tom Wodak said:

> … a constable described the first woman attacked by Lucic as the most distressing sexual assault victim the police officer had ever seen … the attacks were heartless, cruel and callous.

It is vital to understand that this is what the bill is dealing with.

I have spoken at length in this chamber about elder abuse, which is being reported in this state to the extent of 20 000 cases a year. Admittedly they are not all of a sexual nature; they can be psychological, emotional and financial, but can be sexual as well. Many of them are not as brutal as the cases I have just described, but they are sexual offences. It is very important that our community and the elderly in our community can feel safe and secure to know they can wander the streets at 6:15 a.m. and not be mugged and attacked by a person who has done this before.

I released the Liberal Party elder abuse policy in January this year after a great deal of consultation with the community. It looked into the issues of elder abuse, what constituted elder abuse and what we as a community could do about it. Sexual offenders fit well within this. We came up with a program of mandatory reporting. We discussed about putting a unit in the Department of Human Services called the adult protective services unit, built upon the lines of the child protective services unit that is already contained in the Department of Human Services. The funding reflected in the policy I put out shows money would be set aside into the future on a gradually increasing scale aimed at educating our community about the issue of elder abuse and looking at the opportunities for educating our community to make sure they understand what this is about and to give security and comfort to senior Victorians right across this state.

It is no good having mandatory reporting unless you have got someone to report to. The Minister for Aged Care, Mr Jennings, admitted that the Liberal Party has been reflective of what the community is saying on elder abuse. I congratulate the minister for copying my policy and looking into the issue of elder abuse. He has set up a committee — it is a pity it has not got more teeth and is not reporting earlier, but that is the hallmark of this government — to look into it. It is a pity he did not bite the bullet and do something more constructive about it. He should have done something straightaway rather than appoint a committee to look into the situation.

However, I, as do senior Victorians and the agencies concerned, welcome the minister's acknowledgment of elder abuse in our community. The minister is looking into it, but has not told us which agency will be responsible for looking into elder abuse, how much money has been put aside, how much research will be put into it or how much education will be put into it. These are all things that were addressed in the Liberal Party policy of January this year. We did acknowledge that we needed empirical evidence, that we needed to educate our community, that there needed to be someone to report to and that if there was to be mandatory reporting who would do something about it.

Our policy and program dwelt with an ombudsman. I acknowledge there is an ombudsman who looks into aged care facilities for the frail aged, but there is no-one in the state who looks into the issue of elder abuse or who is set up to look into the issue of elder abuse. The health services commissioner, Beth Wilson, does an excellent job with her team in looking into a range of issues related to the health service industry, but this sector is not being addressed and this section of the community needs to be looked at and properly reported on.

I refer again to the case I just spoke about. Who indeed do those widows — the 73 year old who was hit by a crowbar, the 68-year old woman attacked by Damir Lucic and the 83-year old woman who was also attacked by Lucic and fought him off — report this to? These incidents were reported to the police, but where do they or their families go for support and what happens into the future? It is important we acknowledge and properly address sexual abuse of the elderly and that elder abuse goes somewhere with mandatory reporting, including consistent sexual abuse, which is another aspect of sexual abuse in our community. This is an interesting definition because it deals with sexual offenders and most of them are recidivists, which is important and is being addressed in the bill. My policy on elder abuse looks into mandatory

reporting of consistent sexual abuse, often perpetrated by persons the elderly know, which makes it more tragic and difficult for them to be able to alert someone to this type of behaviour.

As I said, it is infrequently that we get an opportunity to agree with all parties in this chamber. It is something that is very important. Sexual abuse of any element of our community is totally unacceptable. I am pleased to see the bill in front of us and, as my colleague the Honourable Richard Dalla-Riva said, the Liberal Party has a great deal of pleasure in supporting the bill.

Hon. J. G. HILTON (Western Port) — As the Honourable Andrea Coote said, it is pleasing that this bill is being supported by all parties, as it should be. Because it is universally supported I will not take up too much of the time of the house this afternoon, particularly as we have a heavy legislative program this week. Everyone in the community is totally committed to ensuring that we do as much as we can to eliminate sex offences from our society. It is particularly pleasing that with this legislation Victoria will now have the toughest legislation in Australia. The amendments we will pass today will make changes to the Sex Offenders Registration Act and the monitoring regulations that were introduced earlier.

I want to comment on a couple of those amendments. I first comment on the length of the reporting period, which can be either 8 years, 15 years or for the remainder of his or her life for adult offenders, and is determined by the nature of the offence, the number of offences for which the person has been sentenced and whether the offender is currently registered. The current reporting periods have the potential to have some inconsistencies and outcomes which could ensure that a shorter period could apply to an offender who commits either more or more severe classes of offences or a larger number of offences compared to an offender who may have committed less severe offences. This is obviously inappropriate. To overcome the possibility of this anomaly the bill amends section 34 of the act to provide clarity in calculating the length of the reporting period and to prevent outcomes regarding the length of time the registered offender has to report.

There are also amendments to ensure that people who move to Victoria cannot avoid their reporting requirements, and the bill ensures that the person needs to report to the Victorian registrar so that their reporting requirements are not avoided by their moving interstate.

The bill also ensures that an offender cannot avoid registration on the register of offenders by merely changing their name. The bill ensures that the registrar of births, deaths and marriages notifies the Chief Commissioner of Police of a change of name should a person who is already on the state register decide for whatever purpose to change their name.

Unfortunately recidivism is a feature of sex offenders, and these amendments are designed to limit as much as possible the possibility of these offenders reoffending. There is always a balance to be struck between civil liberties and monitoring of offenders. However, in this particular case it is universally acknowledged that we are dealing with such a heinous range of offences that civil liberties are a minor consideration compared to what is required to protect the most vulnerable members of our society.

I believe this is an appropriate piece of legislation. I commend the minister and the government for introducing these amendments. We cannot do enough to ensure that we protect our fellow citizens, particularly in relation to these sorts of offences. I am happy to commend the bill to the house, and I am sure it will have a very speedy passage.

Motion agreed to.

Read second time.

Third reading

Hon. J. M. MADDEN (Minister for Sport and Recreation) — By leave, I move:

That the bill be now read a third time.

In so doing I thank honourable members in the chamber for their respective contributions.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

EMERGENCY SERVICES SUPERANNUATION (AMENDMENT) BILL

Second reading

Debate resumed from 26 May; motion of Mr LENDERS (Minister for Finance).

Hon. C. A. STRONG (Higinbotham) — In rising to speak on the Emergency Services Superannuation (Amendment) Bill I indicate at the outset that the opposition will not be opposing the legislation. It is a

small and simple piece of legislation that brings this superannuation fund into line with the basic arrangements that are in place for most of the other public sector funds.

In essence it changes the status of that fund from an untaxed to a taxed status; makes changes to the payout ratios — it is not an accumulation fund, it is a defined benefit fund; and makes other small provisions to ensure that there is no chance that anybody will be disadvantaged by the change of status of the fund. We all know that superannuation is an enormously important part of the remuneration of any individual and an important part of planning for our retirement, and therefore changes to superannuation fund arrangements have to be done with great care to ensure that the beneficiaries of the fund are not in any way adversely affected.

I will go into details in due course, but by way of quick introduction it needs to be said that when these proposals were put forward by the government there was the potential for a small number of individuals, something like 197, to be adversely affected to some degree. That was of concern to the employee representatives looking after those individuals — the Police Association of Victoria, the association looking after ambulance officers, state emergency services officers et cetera — and negotiations have taken place and changes have been made which I will allude to briefly in my run-through of the bill. It is clear that those 197 people will be protected, so there are no losers with this legislation, assuming always that the actuaries have done their calculations correctly, so the important benefits of superannuation have been protected for everybody.

We all know that superannuation funds are taxed, and the methods by which they are taxed and treated can be convoluted and detailed, but in essence if the employer puts money into the fund in an untaxed way then the benefits that come out of the fund are taxed at a higher level than they would be if the money were taxed as it goes in — in other words, the federal government wants its whack of the tax whether it takes it as the money goes in or as the money comes out. From its point of view it is immaterial. The way this fund is currently operated means that the money that goes into it is not taxed, and therefore when the beneficiary draws the money out it is generally taxed at a rate of 30 per cent. The other option available, and the way almost all of the other state funds are currently structured, is that when the employer, the state, puts the money in, a contributions tax of 15 per cent is paid, and when the beneficiary subsequently draws the money out they pay a lower rate of tax — namely, 15 per cent. All this bill does is change the status of this fund from untaxed to taxed.

Because this is a defined benefit fund that has an impact on the ratios that are paid out at the end of the period. The extent to which these ratios change is set out in clause 3(1), which inserts proposed section 20(2AC) into the act. The proposed section is in the form of a table. I shall cite one contribution level to give an example of what I am talking about.

For instance, if an employee was contributing at the rate of 7 per cent of his salary, the situation now stands that when he draws money out of the fund he will get an annual actuarial return at 28 per cent of his final average salary. As a result of these changes when that same individual who is putting in 7 per cent of his salary takes his money out the new rate will be 25 per cent of his final average salary. You can see there is a reduction in the ratio that is applied to the final average salary, but in the majority of cases that is well and truly outweighed by the fact that rather than paying 30 per cent tax on those benefits that contributor will now only pay 15 per cent tax when he withdraws them from the fund. As I have said, it is by and large beneficial to the beneficiaries and it is essentially cost neutral to the government, although the government has indicated there is potentially some small saving to it in moving to the attached fund.

As I said, when the detailed actuarial assessments were done for all the members of the fund to see if any people would be disadvantaged, it was found that a small number of about 200 were disadvantaged and amendments were made to ensure that those people would not be disadvantaged. I will come to those in a minute. As well as that, a great deal of effort was spent looking at every conceivable option that could take place in an individual's circumstances — for example how this might affect an individual who was currently a member of a fund and who moved their money from the fund to some rollover fund when they ceased employment, or somebody who was not actually in the fund — a prospective fund member — who had had a particular mix of superannuation over various years. Amendments were made to see that in almost every circumstance that could be conceived no member either existing or prospective would be disadvantaged. The opposition has no problem with that process, but I simply raise the point that a lot of time and effort was spent to see that nobody would be disadvantaged.

I will speak very briefly because the bill is fairly simple and straight forward. It certainly has the support of all the employer and employee organisations as to the protection of members. I quickly turn to some of the

protection given to the 200-odd people who could potentially be disadvantaged. Section 25A(6) of the current act, the Emergency Services Superannuation Act 1986, provides that:

> If, having received an application for an affected member in accordance with sub-section (7), the Board is satisfied that a reduction in benefits has resulted in an unreasonable detriment to the member in respect …

Et cetera. The term 'unreasonable detriment' is used. The board can make a change to the payout amount and payout ratio if it believes there was an unreasonable detriment. The word 'unreasonable' is deleted by clause 8 of the bill. The clause amends section 25A to remove the term 'an unreasonable' and substitutes it with 'any'. It quite clearly says that if there is any detriment to the payout the trustees can make up the difference to ensure there is none.

There are a couple of other changes I will mention. We all know that when one finishes one's working life or wants to draw down the superannuation there is an option to roll over that superannuation into some sort of rollover fund or the like. This is a situation that is, in most cases, taken advantage of by members while they work out their new financial position in retirement and the extent to which they want to leave all or part of their superannuation benefit in such a fund to take advantage of the taxation treatment of superannuation funds.

The way the act currently stands there is a period of 14 days where an individual can roll over their superannuation into the emergency superannuation beneficiary account which is, as it were, a rollover account. They have 14 days during which it can be held in suspension while they work out their affairs in their new retirement mode. That 14-day period is judged to be, realistically, fairly short. When you have to work out what you are going to do with the rest of your life and a very large amount of the funds you have available to do that with are held in superannuation, 14 days can be a fairly short period in which to make these important decisions that will affect you for the rest of your life. Under this bill that 14 days has been extended to 60 days and that is an appropriate and worthwhile change.

As I said, there are various other little changes in this bill making it quite clear that even for prospective members of the fund who may come along some time in the future, these changes will in no way be detrimental to their position. In other words, if their individual circumstances — and remember, in superannuation everybody's circumstances can be different, depending on the time at which they made their contribution — were adversely affected by these changes, they would be protected and paid according to the conditions that existed before this bill.

It is a very simple bill that by and large will have significant benefits for beneficiaries of the emergency services superannuation fund members. It makes sure that every single individual who is a member of that fund will be protected insofar as the payout they receive will not be in any way less than it would have been before this bill was introduced. It is therefore one of those pieces of legislation that is fundamentally all upside. Assuming the actuaries have done their calculations correctly — the dark and very important art of actuarial assessment — it is a situation that will have no detriment to government funds either. For those reasons the opposition sees no purpose in opposing this piece of legislation.

Hon. W. R. BAXTER (North Eastern) — Like Mr Strong, The Nationals are not opposing this legislation. In fact in a sense I wonder why it has taken so long to come before the house. I was a member of the cabinet that decided in 1995 to convert the state superannuation scheme into a tax scheme. Provision was made at that time for the emergency services scheme to be likewise converted if the board and the administrators so determined and recommended. It is to some extent intriguing that a decade has passed before this move has come about because, as Mr Strong has explained to the house, there do seem to be some positive benefits in so doing — to the beneficiaries, almost entirely — and there is certainly a no-detriment clause included in this bill for those few who may be somewhat disadvantaged by it to ensure they are no worse off. There is some advantage to the state in that it reduces the superannuation liabilities that the state needs to include in its long-term liability calculations.

The only people who will be disadvantaged, as far as I can see, are our friends in Canberra who are going to garner somewhat less tax than they might otherwise have done. Yet our friends in Canberra seem quite comfortable with this notion of moving to a taxed superannuation scheme. They have encouraged it in every respect and they obviously believe it is the best way of encouraging people to make some provision for their retirement beyond their working lives. To that extent I commend the commonwealth government for so doing. Similarly I commend the commonwealth Treasurer for his recent budget announcement abolishing the superannuation surcharge — which was brought in when the current government came to office in 1996 — to help overcome the Beazley black hole. The surcharge served that purpose, along with other taxes because, as honourable members will recall, Mr Beazley when he was finance minister in a former

government certainly left the budget in a deficit position in very large measure.

I always thought the superannuation surcharge was counterproductive, although I acknowledge the purpose for which it was brought in. I suppose an analogy could be made with the Kennett government when it came into office following the disastrous Cain and Kirner governments. It was staring into a huge black hole and introduced the state debit levy on municipal rating notices. It was not a particularly equitable tax either, but it was necessary in view of the financial stringency that the new government inherited, in the same way that the commonwealth had to do something about the Beazley black hole. But it seemed to me to fall a little inequitably on some people, and it certainly discouraged people from making provision for their retirement years. I am therefore very pleased indeed to see that it has gone by the wayside after the recent federal budget.

I am also pleased to see that the commonwealth government is introducing employee choice when it comes to superannuation, because that is going to be one means of encouraging rank and file employees to take a little more interest in superannuation. It seems to me that in the past superannuation has been considered to be far too complex for the average person to understand and rolled on without many citizens being particularly aware of what its potential was for them. Bringing in superannuation choice will encourage, if not force, people to take much more interest in superannuation and its concepts because they will need to make decisions about where their superannuation contribution guarantee levy, which is paid not by the employee but by the employer, is directed. If they take no action at all the default mechanism will come into place, but they will still need to take the decision to take no action, so I hope that process encourages employees to take a little more interest in superannuation.

I have always contended that the superannuation guarantee levy should not be paid solely by employers and that there ought to be a contribution by employees as well, because 9 per cent is not going to provide an adequate retirement income for most people but it certainly would if employees were to add 5 per cent or 6 per cent to it. It is high time that people became much more aware that in the future they are going to be more responsible for their retirement funds being generated by their own actions rather than being able to rely on the taxpayer to pay the level of pension that people might have come to expect. There are simply not going to be enough workers out there slaving away in the factories to pay the taxes to meet those expectations. Rather than people finding that out somewhat to their surprise once they retire — if they have not been aware — clearly if they were making a direct contribution themselves — —

Hon. E. G. Stoney — Acting President, I direct your attention to the state of the house.

Quorum formed.

Hon. W. R. BAXTER — Now that I have a quorum I will reiterate the observation that I was making before — that it has been my long-held belief that the superannuation contribution guarantee levy ought not be paid only by employers but that there should be a companion contribution by employees. I am not saying it should be at the same level of 9 per cent but at some sort of a level to assist people in building up sufficient retirement income. But more particularly, it would make employees much more aware of their responsibility to provide for their own retirement. It seems to me that while contributions are paid only by employers the amount — billions of dollars — being generated on behalf of employees by the employers of this nation will be insufficiently acknowledged.

There is also the issue of the small balances that are generated by the superannuation guarantee, where people work for a number of employers either because they work as casual labourers or because of the nature of their work — for example, shearing or fruit picking. Those people work for a range of employers during the course of a year, and if they are not careful they will end up with a whole heap of small balances in a myriad superannuation funds with much of the benefit necessarily being chewed up in administration costs. I know over time that a number of the funds, and indeed the federal government, have gone to great lengths to encourage people to consolidate their various balances into a single fund. I applaud that action, and I certainly hope that with the new superannuation choice legislation coming into effect from 1 July even greater attention will be given to the fact that people should amalgamate into a single fund all their small balances, wherever they are held.

I do not intend to go through the detail of the bill because Mr Strong elucidated it very well to the house. It is commonsense legislation. It has obviously been thought through by the board of the Emergency Services Superannuation Fund. A no-detriment clause is contained therein to make sure that no-one is worse off, and all round it seems to be a win-win situation, except for the commonwealth Treasury, and I have noted that the commonwealth is not concerned about that. The Nationals are not opposing the legislation.

Mr PULLEN (Higinbotham) — I rise to support the Emergency Services Superannuation (Amendment) Bill. It is a small bill of only 10 pages. It was interesting to hear Mr Strong say about three times that it is a very simple bill. I think it is pretty simple too, but the opposition spokesperson on Treasury matters in the other house did not think it was too simple. He said in his speech that he and Mr Strong had had a briefing. I will paraphrase what was reported in *Hansard.* He said that as far as he was able to understand the complex bill, it was to adequately give effect to the policy objectives of the legislation and to make a series of required consequential changes. He could not understand it. I thought the member for Lowan in the other place gave a very good response — —

Hon. C. D. Hirsh — Chris will understand it.

Mr PULLEN — I thought Mr Strong showed a very clear understanding of the bill compared to the member for Box Hill in the other place. I congratulate him. God help us if the member for Box Hill ever gets his hands on the Treasury keys, because it would be a mess. If he cannot understand a 10-page bill, I fear for the future of Victoria if opposition members were ever to come to this side of the chamber.

An honourable member — He was saying the actuarial calculations are complex.

Mr PULLEN — I do not know what he was saying. I could not understand it when I read his contribution. But I could certainly understand what the Labor members in the other chamber said, and I could understand what the member for Lowan in the other place said. I also understood what Mr Strong said and, of course, I always understand what Mr Baxter is talking about. Unfortunately the speech from the member for Box Hill in the other place left a lot to be desired.

This particular bill is to amend the Emergency Services Superannuation Act. The first part is to enable the payment of certain benefits as a lump sum on a tax basis and to enshrine the 8.4 multiple for benefit on the untaxed basis. It also makes some minor changes to the act such as clause 4 which removes the word 'retirement' as it relates to a member's death, and also clause 6 which ensures the act is consistent with new commonwealth regulations which allow for superannuation contributions up to the age of 75 in certain circumstances.

I want to say a few words about superannuation, as I know Mr Baxter did earlier. My first job was with the Commonwealth Bank in 1961, and one of the reasons I wanted to join the bank was that we had superannuation. I thought at that time it was great for us to have superannuation in that job. You must admit though that the conservatives in Canberra have sat on their hands for many years when it comes to superannuation for workers. It took a great Labor man such as Paul Keating to cut the deal with the union leader, Bill Kelty, in 1985 to start off with the 3 per cent superannuation deal. From its modest origins the scheme extended to cover most private sector workers and after 1992 with the superannuation guarantee today the amount is a compulsory contribution set at 9 per cent. I agree with Mr Baxter to some degree that it should be higher because at the moment it is not sufficient. I have read papers which say it should be around 15 per cent at this moment.

Hon. D. McL. Davis interjected.

Mr PULLEN — I am not saying where it is coming from. Mr Davis should listen to what I am saying. The contribution should be up around 15 per cent at the moment — with it coming from the employer.

Hon. D. McL. Davis — That is not what I said.

Mr PULLEN — I know what Mr Davis said! The situation now is that we have over $700 billion — listen to that figure — now invested, a significant defence against future shock for the workers.

Turning to the bill, the people over there nearly wrecked the emergency services. They should just remember that. They nearly wrecked them with their cuts to police, ambulance services — and I have spoken about the ambulance services before — and so on, and they have been restored under the Bracks Labor government. We have restored them. The emergency services cover — honourable members will know this, but I will just mention them — firefighters, coast guard representatives, police, ambulance officers, Country Fire Authority officers and State Emergency Service-paid people. Last week I visited the Moorabbin SES and was given a wonderful tour of the facility. There was training going on at the time by a good friend of mine, John Stewart, who is the treasurer of the Moorabbin SES, and he does a tremendous amount of work there. I must place on record my appreciation of a number of people who contacted my office during the February storms that played havoc around my electorate. Members of the SES were there cutting down trees and fixing the thing up, and they did a tremendous job as far as that was concerned.

The bill shows the government's fiscal responsibility by moving to address the unfunded liability. Due to the way the fund was set up it will wipe about $180 million from the fund's liabilities, thus removing a financial

burden on Victorian taxpayers. The emergency services superannuation scheme's move from paying untaxed benefits to paying tax benefits will bring it in line with the majority of superannuation funds across the country. Bar 198, its 15 000 members will benefit from this change by paying less tax and will on average receive about $10 000 per person. The 198 people who will not benefit are covered by the anti-detriment provisions of the act which we have strengthened in this bill to ensure that they do not lose out as a result of the changes.

The bill will provide for the emergency services superannuation scheme to change to paying taxed benefits from 1 July 2005 and that is why it is important that this legislation be passed today. The ESSS has been covered by other speakers. Currently it pays untaxed benefits. This means that, unlike most other superannuation funds, employer contributions are not subject to the 15 per cent contributions tax. However, members have to pay higher rates of tax when they receive their benefit, whether that be by a rollover or by a lump sum.

The actuary has estimated that about 99 per cent of members will be better off under the change, and the anti-detriment provisions will mean that no existing member will be worse off. Members will on average receive an increase of around 2.2 per cent of their after-tax benefit. The ESSS disability pensioners will for the first time become eligible for the 15 per cent pension rebate. Members who are liable to pay the surcharge will face lower surcharge bills in the future. The actuary estimated that in terms of present value changing to pay taxed benefits will be worth between $180 million and $263 million to members over the next 40 years.

In summary — I do not want to take up too much time because it has been adequately covered by opposition speakers in the chamber — the change to payment of the taxed benefits is a win-win situation for members and the government — except possibly the federal government as was mentioned in this chamber by Mr Baxter and also by members in the other place. The split benefit is equitable: $180 million to the government, and from $180 million to $260 million to members. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — By leave, I move:

That the bill be now read a third time.

In so doing I thank honourable members for their contributions to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

CITY OF MELBOURNE (AMENDMENT) BILL

Second reading

Debate resumed from 26 May; motion of Ms BROAD (Minister for Local Government).

Hon. J. A. VOGELS (Western) — I am pleased to speak on the City of Melbourne (Amendment) Bill. Let me say at the outset that the opposition does not oppose this bill. The City of Melbourne uses the net annual value (NAV) rating system and has been required to obtain an order from the Governor in Council, which is then published in the *Government Gazette*, each year to apply for a differential rate. By including in the amendment a provision that the highest NAV differential rate must not be more than two times the lowest differential rate, the same safeguard exists as in municipalities which use the capital improved value (CIV) system where the highest differential rate must be no more than four times the lowest differential rate in a municipal district. The Melbourne City Council applies the NAV system of rating as opposed to CIV because 75 per cent of its rate base is derived from commercial or industrial properties — that is, rental properties. This amendment is minor in nature, but it will reduce administration costs for the City of Melbourne.

I would like to go into how local governments receive revenue. There are several sources of funding for local government in Australia. The first is rates on property. It is interesting that the Bracks government now collects more in property taxes in Victoria than local government does. Last year rate revenue for councils across Victoria brought in about $2.2 billion and the Bracks government collected $2.2 billion in stamp duty on property sales, mortgages et cetera plus nearly $1 billion in land tax. It ripped out about $3 billion in property taxes compared to local government's $2.2 billion so it is getting into that market as well. Then we have fees, fines and charges which councils

can charge. These are swimming pool entry fees, waste depot fees, planning permit fees and parking fees and fines. The Bracks government has now decided to get into this market for the first time. In this budget we see it has brought in a levy for 48 000 long-term car parks. I think it is starting off at $400 per car park per annum, increasing to $800 per annum by 2007. Parking was once a revenue-raiser left to local government, but the Bracks government cannot keep its hands off it and will be collecting about $57 million a year in parking fees.

A third way councils raise funds is through specific purpose grants. These come from the state and commonwealth governments and are not tied. It is interesting to look at the trend in specific purpose grants from the state and federal governments to local government. The federal government provides the Bracks government with specific purpose grants which in theory are passed on to local government authorities — the Bracks government simply acts as a vehicle for on-passing. The *2005–06 Statement of Finances* — budget paper 4 — shows an allocation for local government in grants and transfer payments of $493.7 million. This is a $1 million increase on last year. It is an increase of 0.2 per cent from the state government. However, it is interesting to have a closer look at the budget papers and to go back over the last four years and look at the grants and transfer payments made to local government. In 2002–03 the federal government passed to the state for on-passing to local government $342 million and the state put in another $206 million. In 2003–04 the federal government increased its funding to $347.1 million and the state government reduced its share to $131.1 million. In 2004–05 the federal government put in another 3 per cent, bringing its funding to $367.2 million, and the state knocked out another 10 per cent at the bottom and provided $125.8 million. The budget for the forthcoming financial year is a shocker. The federal government has once again increased its funding — to $381 million — but the state is down to $113 million.

While the federal government has increased its share of funding to local government well above inflation, the Bracks government has slashed its contribution by almost half. Had the Bracks government increased its funding in accordance with the federal government's formula, the councils' state allocation would have been $225 million instead of $113 million this year. You can see that that is half of what councils should be getting. It is about time the government stopped hiding behind smoke and mirrors and saying the overall increase is $1 million. It is, but that is all coming from the federal government. The state is shamelessly ripping out at the bottom. The Minister for Local Government has ripped $112 million out of grants to local government over the past four years, but she stands up here and says the government has put X millions into libraries or $3 million into something else. The government is robbing Peter to pay Paul and councils are not getting the money. It is an outrage that councils are not getting the money because they should be. The federal government is passing on its share, but the state government is refusing to honour its commitment.

Victoria has 79 councils operating as separate entities right across the state. They all have local issues, costs and service provision needs. Each council budget is different to reflect local community needs and priorities. However, councils must follow a common, legislated framework for setting a budget, as set out in the Local Government Act 1989. Each year a council establishes the maintenance needs of its assets and infrastructure and the community services and facilities that will be provided in the next financial year and how much that will all cost. This information is adopted as a draft budget which is advertised and open to the public for about 14 days, as required by legislation. This allows for community discussion and input into the development of council's priorities for the coming year. The revenue to be collected is estimated within a council budget, including state and federal government funding and funding from loans. Council then determines the amount required to be collected in rates to meet its financial responsibilities. Contrary to popular belief, rising property values have no impact on council revenue collection. As I said, council budgets determine the amount of funding required and a general rate in the dollar is set and that is what council collects. Just because your property's value has increased does not necessarily mean your rates have to go up. However, if councils require or are determined to have more money, council rates will go up.

Each Victorian council chooses one of three valuation bases for its municipality. We have the capital improved value which is currently used by 72 councils. Capital improved value refers to the total market value of the land plus the improved value of the property including the house, other buildings and landscaping as determined by a valuer. It is generally seen as the fairest way of collecting rates because it is supposed to mirror the wealth of the owner — the ratepayer — and his capacity to pay. There are many circumstances in which this is not true. Being asset rich does not mean you have an ability to pay. Prime examples of this would be farming properties, especially in drought years, and properties along our coastal strips in the past few years. I know many pensioners who retired to townships like Peterborough or Port Campbell or to Seaspray or wherever in Gippsland. When they retired

10, 15, 20 years ago the improved value of their properties was $30 000, $40 000, $50 000.

They are now looking at a property value of $500 000, so their rates have gone up enormously, but that does not mean they have any better capacity to pay, because they are still on a pension. While in one way you would say capital improved value is probably the fairest way, it is not always so. One municipality, Monash, uses site value to work out its rates, and that refers to unimproved market value of the land.

Then there is net annual value, which we are talking about now, and that is the annual rental a property would render, less the landlord's outgoings such as insurance, land tax and maintenance costs, or 5 per cent of the capital improved value (CIV) for residential properties and farms. The value is higher for commercial, industrial and investment properties. This method is currently used by six councils — Glen Eira, Maribyrnong, Melbourne, Port Phillip, Yarra and Whittlesea. The reason Melbourne City Council wants to go down this track is that 75 per cent of its rate income derives from industrial or commercial properties and 25 per cent from residential properties. Obviously if you are renting a property you are more interested in what the rental value is than the actual capital improved value of the property, because that is where your income comes from — the rental of your property.

As Victoria's capital city Melbourne provides services for all Victorians, and I think Melbourne can be very proud that it is now recognised as one of the most livable cities in the world. Even though there were many critics in the Labor Party who talked about too much looking after Melbourne throughout the Kennett era, I think we can all be proud of the way Melbourne has progressed in the last 10 to 15 years. It is a very livable city, and it is a great city for anybody in the world to visit. I think during the Commonwealth Games next year Melbourne will be showcased to lots of different parts of the world. The councillors of the City of Melbourne under Lord Mayor John So are great ambassadors for the city of Melbourne. It is their role, and I think it is also Victoria's role, because Melbourne is our capital, to make sure that the Yarra River, our parks, gardens, rubbish collection and everything else are right up to scratch as we showcase Melbourne to the world.

After having had a good look at this bill, we do not think there is much in it and are not opposing it, but the issue that really gets to me is the cost-shifting by this government onto local government. I have mentioned some instances before, but another one I would just like to mention in conclusion is the fire service levy which is charged to metropolitan councils. The metropolitan fire brigade is funded by levies — 75 per cent comes from insurance companies, 12.5 per cent is paid by the metropolitan councils and 12.5 per cent is paid by the state government. The cost of running the Metropolitan Fire and Emergency Services Board has gone up by about 80 per cent in the last five or six years. Every year there is basically another 10 per cent increase to the fire service levy. Councils' contribution has gone from about $6 million over this period to about $27 million.

In theory the state government also puts in 12.5 per cent, so it should be putting in $27 million, but of course it basically puts in nothing. The reason is that the state government has the ability to collect stamp duty and goods and services tax on people who are insuring their properties in Melbourne. As people insure their properties, the state government collects GST and stamp duty — it is actually a tax on a tax. If you add up what it collects there, you will find that the state government's contribution to the metropolitan fire brigade is about $5 million — I think that is what it was at the last count — instead of $27 million. It is very happily shifting these costs onto ratepayers.

We hear the Minister for Police and Emergency Services saying the metropolitan fire brigade will put on another 80 or 100 or 200 firemen — and that is great; we are going to get another new fire truck — and that is great; but the state government does not actually put in the money, it comes from insurance companies and local government while the minister is standing up and getting the credit for putting on more officers or providing better fire engines. I think that needs to be looked at. About five or six years ago it was basically 12.5 per cent from metropolitan councils and 12.5 per cent from the state government, but that has now gone down to the state government putting in about 4 per cent of the cost. It badly needs to be looked at. It is a huge cost-shift onto the metropolitan councils.

The opposition does not oppose this bill, which will make it much easier for the City of Melbourne to get on with having a differential rate. The differential at the moment between residential land and industrial and commercial land is about 15 per cent. All other municipalities across Victoria have the ability to have a differential rate without having to go to the minister or the Governor in Council and publishing an order in the *Government Gazette.* This should save a lot of unnecessary paperwork. As I said, the opposition does not oppose this bill.

Hon. B. W. BISHOP (North Western) — I rise on behalf of The Nationals to make a contribution to the debate on the City of Melbourne (Amendment) Bill. Members of The Nationals have consulted quite widely on this bill. We have spoken to the Melbourne City Council, and in particular Paul Ferguson, the senior valuer; to the Municipal Association of Victoria's Peter Walsh; to Cameron Rowe from the Victorian Local Governance Association; and to Ross Millard from the Department for Victorian Communities.

After that quite strong consultative process The Nationals reached the conclusion that we would not oppose this bill, which is quite an interesting bill in a way. The City of Melbourne uses net annual value (NAV), which is simply the value of the site, whereas most of our councils use capital improved value (CIV), which of course is the value of the site and the improvements that stand on that site.

It is interesting to note that if you look at which councils use what, you find that those using CIV — there are 72 Victorian councils using that type of rating system — can use differential rating quite freely. It is also interesting to note that only Monash City Council is using site value alone, and that of those using NAV the City of Melbourne is one of six, along with Port Phillip, Maribyrnong, Yarra, Glen Eira and Whittlesea. So there is a mix of rating processes throughout councils in Victoria.

This legislation will give the flexibility to the City of Melbourne, similar to that which most other councils enjoy, to be able to apply differential rating to its ratepayers. The City of Melbourne has a residential rate which is struck on, as I understand it, 5 cents in $1 on NAV, and it also has a commercial and industrial rate which is struck on 5.82 cents in $1 on NAV. Under the present legislation and the NAV type of rating system it is not able to automatically and freely set differential rates. Prior to this bill the City of Melbourne had to gain approval from the Governor in Council and also publish what it intended to do in the *Government Gazette*. We are sure this bill will remove the requirement for the Melbourne City Council to apply for an order in council to allow it to use the differential rating system, which will reduce costs and remove administrative burdens, therefore benefiting ratepayers of the city of Melbourne.

The bill also provides that the highest differential rate will not be more than twice the lowest differential rate. It sounds confusing, but I think it is relatively straightforward. In fact it highlights the great differences between the NAV rating system and the CIV rating system, which is more widely used throughout most councils. The bill gives the City of Melbourne the flexibility to set those differential rates without the expense of going cap in hand to government to get an order of the Governor in Council and placing all those issues in the *Government Gazette*. We are sure this will save money and resources for the City of Melbourne and its ratepayers and that the process will be much crisper and simpler when the council goes to putting differential rates in place.

In preparing for this bill I could not help but think about the hundreds of councillors across Victoria who are beavering away for their communities for not a lot of money. There is no doubt in the minds of The Nationals that our councillors do this totally for community benefit. It is a time-consuming task, particularly with today's rules and regulations and myriad red tape that we all must work through, particularly our councils. As it is the government that is closer to the community than any other tiers of government in Australia — which, of course, are the state and commonwealth governments — it is certainly a time-consuming task.

When you look at our councils and how they operate nowadays you can see that the mayor's job is full time. I have observed very closely the seven councils in the electorate that I share with the Honourable Damian Drum, and I know the mayors work very hard. I believe it is a full-time job. I think those councillors and mayors do a great job, and I think the councils do too. We in The Nationals are able to, as I am sure most other members are able to, work very closely with our councils. That is not saying that we always agree with them every inch of the way; but if we do not, we work all the issues through with them. I have found that you only have to pick up the phone to get straight through to the decision-makers and work through some of the issues that might be of concern for us to the betterment of everyone.

One of the better parts of our job as state parliamentarians is to be able to sit down with those community people, our councillors, who are all working in the best interests of our community — who are all beavering away, as I said before — and work through how best we as state government representatives can work with our local government representatives to get the best deals for our communities. In talking about differential rates I say that there is no doubt about the agony and the hard work and soul-searching our councils go through when they set their rates, as most of them have done just a while ago. It is a tough job. I think it is doubly tough when you see state governments cost-shift onto our councils; they give them a job with a bit of assistance

and then take the assistance away. So it is a difficult job for our councils when they are setting the rates.

When I think of rates I also think of valuations, as I know that the rates are connected to valuations and that they link up in the process of setting rates. I note that many of the councils we speak to are now concerned about the fact that valuations have to be set on a two-year cycle. No doubt at the time people thought that was a good idea as it was a catch-up process to ensure that the councils did not drag too far behind in the change of valuations throughout the municipalities. But it is now seen to be an unnecessary burden on our councils.

While we are talking about things such as rates and valuations and all those issues councils wrestle with from time to time, it is a good time for the Bracks government to have a good look at this process of valuations — just to see how efficient it is and to do a cost-benefit analysis on it if it likes. Most of the councils we deal with would not agree to going back to the six-year cycle which we had before. Most of them believe that somewhere in that three or four-year bracket would be an acceptable process to get some equity into the system and save them some time, resources and money. I think it would be a good idea if the Bracks government looked at that and consulted with the councils. I am not as familiar with the metropolitan councils, but I certainly know that the ones in country Victoria would welcome that sort of consultative process.

I will conclude my contribution on this bill by wishing the City of Melbourne good fortune with the more flexible rating system it will enjoy when this bill goes through the house and is proclaimed. We are sure it will save on costs, resources and certainly time. It should be able to better reflect an equitable rate base across the city of Melbourne for city of Melbourne ratepayers.

Hon. ANDREA COOTE (Monash) — I have pleasure in speaking on this brief but very important City of Melbourne (Amendment) Bill. At the outset I have to say that this is to do with my own electorate. Part of my electorate covers the residential area of Southbank, and the city of Melbourne also goes down to the Fishermans Bend part of my electorate. I have to say that the people at Southbank and the people at Fishermans Bend, who have very different needs and objectives, are very happy with the way in which the City of Melbourne operates.

The people of the industrial area are very pleased with the marketing aspect of the City of Melbourne. They want it to be seen as a viable and vital industrial area, and the City of Melbourne is very good at marketing Victoria and Melbourne as a very good place to do business. Those at the industrial parks et cetera down there tell me that they are very pleased with what the City of Melbourne is doing.

If you drive down there and have a look, you can see some excellent buildings. In fact recently I was at the Toyota building, which is a state-of-the-art building. I would like to put on the record right now that as far as Toyota is concerned it has an excellent relationship with the local arts community; it has an art gallery there which is for the community. It is a very good use of space, and I commend it for doing that.

I would also like to say at the outset of my contribution that I am a resident of the city of Melbourne and I know the Melbourne City Council is responsible for parks within our area. I would like to put on the record that, particularly with Fawkner Park, the council could be doing a little better.

Hon. Bill Forwood interjected.

Hon. ANDREA COOTE — No, Fawkner Park needs additional help and support. There has been a public meeting recently about the development, and people have written to me and come to see me about the importance of Fawkner Park and of reminding the City of Melbourne that Fawkner Park was set out as a European park and should not be replanted with a whole range of Australian natives, lovely as they are. This particular park's whole approach is European. I see Mr Pullen, who is a good cricketer, is here. A lot of cricket is played in Fawkner Park, and I am sure he has played and umpired there.

The City of Melbourne is very keen to see this bill passed. It enables the Melbourne City Council to set a differential rate, which every other council in Victoria enjoys the ability to do. Currently the City of Melbourne has to publish annually in the *Government Gazette*. This is an administrative nightmare which the council would like to see clarified and cleaned up. This bill goes a long way to sorting out these administrative nightmares for the City of Melbourne.

I will not go through the detail of what is involved here as far as the net annual valuations and capital improvement values are concerned, because — —

Hon. Bill Forwood interjected.

Hon. ANDREA COOTE — As I have just been given some additional time, I would now like to go through what the current situation is and why it is important that the City of Melbourne has an

opportunity to come into line with what else is happening and to outline the safeguards in this bill.

Since 1994 the Melbourne City Council has applied differential rates to land subject to the net annual valuation. Currently, as I said, it needs Governor in Council approval to change the differential rates, and the order has to be published in the *Government Gazette* on an annual basis, which is administratively cumbersome. Currently the net annual valuation must not be more than twice the lowest differential rate. The municipal districts rating system, which is the system for all other councils in this state, operates on the capital improved value, and the highest differential rate must not be more than four times the lowest differential rate.

Melbourne City Council currently applies net annual valuation, not capital improved value. The reason for this is that 75 per cent of Melbourne City Council's rates come from commercial rentals. As I explained, this is part of my electorate. The City of Melbourne gets rates from the commercial rental areas of Fishermans Bend and other parts of the city. Residential properties account for 25 per cent of rates. The equation for the City of Melbourne is that commercial rates are currently 5.77 per cent and residential rates are 5 per cent, which is a differential of 1.1 to 1.2, which is therefore 15 per cent. If this sounds complicated, it is because it is complicated.

The City of Melbourne wants to see this issue addressed. It wants to know that it can deal with this simply without having to go to the Governor in Council. It wants to be in line with everyone else. It is very happy to have the safeguards in place. As my colleague the Honourable John Vogels said, the City of Melbourne has a very high calibre of professionalism. The current Lord Mayor, John So, is a very good advocate for Victoria and Melbourne. As we go into the Commonwealth Games, Victoria — and particularly Melbourne — will be a centrepiece and a showpiece. It has been very interesting to see the state government pressuring the City of Melbourne into providing more and more funds to make certain that the Commonwealth Games are on time and on budget. I hope it does not get squeezed any further, because that will end up putting additional pressure on those of us who are ratepayers. However, the City of Melbourne has been more than happy to contribute to the success of the Commonwealth Games. I know John So and his team have been working very hard to make quite certain that Victoria, and Melbourne in particular, will be remembered well into the future.

As I said, people in my electorate, including in the residential areas along St Kilda Road, around Punt Road, up through the Domain and in Southbank, including the Fishermans Bend area, are very pleased with the amenities and services the City of Melbourne provides. I am pleased we have a chance in this bill to make life for the City of Melbourne simpler. I hope this bill goes a long way to helping it save on its administration costs.

Hon. S. M. NGUYEN (Melbourne West) — I rise to speak in support of the City of Melbourne (Amendment) Bill. The City of Melbourne plays a very important role in Victoria. It provides many world-class services for Victoria as well as for our international guests. The City of Melbourne has improved a lot of things — many buildings and apartments have been built and many people are now living in the city. We see many high-rise apartments around Melbourne. People are now interested in living, working and investing in Melbourne.

The state government regards the interests of the City of Melbourne as important. In the past the government has assisted the City of Melbourne with things such as the mayoral allowance, councillors' allowances, the wharf, elections and many other things. Not long ago the government ensured that the Docklands area became part of the city of Melbourne. There is potential to go further. The Melbourne City Council has done a wonderful job in marketing Melbourne and bringing more benefits to the city, which is why members of this place are speaking in support of the amendments. Quite often I see councillors when I attend functions. I also see how hard they work for the city.

There is a lot of interest in this important bill. It gives power to the City of Melbourne to apply differential rates within its municipal district, notwithstanding the fact that it does not use the capital improved value system of land valuation. We know that Melbourne property values increased rapidly over the last five years as the market boomed. People talk about the increases in rates and how many residents now pay more than they did previously because the value of their land has increased. In the city of Maribyrnong, where I am a resident, people complain that the city collects a lot of money. It is not that it collects a lot of money, but the value of land has increased and people have to pay on the current market value, which is sometimes 10 per cent more and sometimes 50 per cent more. Even elderly people who receive a pension pay on market value. It is of concern to the community that rates due to the city council are judged on market value.

This bill amends section 28 of the City of Melbourne Act to provide that the City of Melbourne may apply differential rates. This will help the councillors to do

their job for the ratepayers. In conclusion, I support the bill before the house.

Motion agreed to.

Read second time.

Third reading

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — By leave, I move:

That the bill be now read a third time.

In so doing I thank honourable members on both sides of the chamber for their contributions to the debate. I wish the bill a speedy passage.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

ENERGY LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 26 May; motion of Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources).

Hon. BILL FORWOOD (Templestowe) — It is a pleasure to speak on this bill, which is an omnibus bill in the sense that it deals with four unconnected matters. The first part is the usual legislation that is brought to this place by this government so often, clearing up the mess made in a previous bill. In May last year the government introduced legislation designed to clarify the safety regimes that could be put in place under the electricity safety management scheme submitted by network operators. The second-reading speech of the bill before the house today says:

> Clause 3 of the bill amends the Electricity Safety Act to clarify the level of safety to be provided by electricity safety management schemes submitted ….

Why do we need to clarify it when the government amended this provision in May last year? The answer is that it got it wrong, which was pointed out to the government by the distributors.

The distributors made the point that what they were looking for was some certainty, and rather than it being a situation where they had to comply with both the letter of the law and their management scheme, what they needed was the capacity for their electrical safety management schemes to be practical. Clause 3 inserts the definition:

> '"practicable", in sections 111 and 119, means practicable having regard to —
>
> (a) the severity of the hazard or risk …
>
> (b) the state of knowledge …
>
> (c) the availability and suitability of ways to remove or mitigate the hazard or risk; and
>
> (d) the cost of removing or mitigating the hazard or risk …

We support this sensible amendment. It is a pity that we did not get it right the first time last time, but we are delighted now that the scheme has been amended by the government so there will now be provided some clarity and certainty for electrical distributors in this matter, particularly because we all know how important it is to have safety in all matters to do with the generation, distribution and use of electricity, and indeed of gas.

I turn to clause 5 of the bill, again an unexceptional provision, that amends section 205 of the Gas Industry Act. This is very much a minor amendment. Section 205 of the act states that there must be a review of VENCorp and that:

> (1) The Minister must cause a review of this Part to be undertaken in 2007 by the ACCC or another person nominated by the Minister.

Section 205(2) says that it should be completed by 31 December 2007. Why it is in the act that it had to be done in 2007 beats me. The amendment takes out 2007 which means that we can start it tomorrow if we want to, or more likely start it next year, but in any case we can get the preliminary work done and under way in a sensible manner as long as it reports by 31 December 2007. This, as I said, is unexceptional and acceptable to us — or should I say 'asseptable' as Super Nanny would. We support that minor change to the act.

The third amendment to the bill are amendments to the Fuel Emergency Act 1997 to ensure there is some capacity for there to be a longer period for emergencies rather than just seven days. What happened in the most recent time when these powers were used was during the briquette problem last year, or maybe it was the year before, in that there was a problem in relation to the use of briquettes by hospitals so we needed to use the powers of the act for that purpose. What was

apparent was that we had to have these powers in place longer than seven days, but we did not have the capacity to do it. Now the legislation enables the period to be three months. What we were advised in the briefing, for which I thank the minister and his advisers, was that it will be set at the most appropriate time. It will not be set longer than it needs to be, and if they think it will be over in a fortnight or three weeks they will set it for a fortnight or three weeks and will be reported obviously in the *Government Gazette,* so we believe this is another sensible amendment which is acceptable to us.

That leaves us to deal with the fourth part of the bill — this government's love affair with wind farms and the capacity for there to be some rating schemes put in place by local councils in order to see some balance, I think would be the government's argument, in relation to raising rates on land where generation takes place. The minister would well know that for a long time a system has been in place whereby there have been agreements between Latrobe Valley generators and councils over what rates they would pay. What is now sought is some mechanism to extend the payment of ex gratia payments by Latrobe Valley generators to other generators of a different type, notably wind.

What is required is to amend section 94 of the Electricity Industry Act which deals with the rateability of certain property. I recommend honourable members read the section because it says:

> (3) The Loy Yang B land is rateable land and an agreement under section 27 of the Loy Yang B Act 1992 in force immediately … has effect …
>
> (4) Despite anything in the Local Government Act 1989 —
>
> (a) a generation company or an associated entity … that is liable to pay rates in respect of land used for generation … may, instead of paying rates in respect of that land, elect by notice in writing given to the relevant council to pay amounts agreed or determined under sub-section (5) …

We had a system in place for that. What then happened was the government decided that it needed to find a mechanism for resolving the issue of different sizes of wind farms of generating capacities. We have very large generators in the Latrobe Valley and they are paying substantial amounts of funds to councils at the moment, but we needed a system that would put in place some sort of rating system for smaller wind farms. The Minister for Local Government and the Minister for Energy Industries and Resources appointed an independent panel in August 2004 under section 220A of the Local Government Act which undertook a review of various aspects of the current rates administration.

As is the wont of this government, it claimed that it consulted widely and made recommendations which it considered and which it then later adopted in April 2005. The legislation that is before us is putting into effect those particular recommendations that were made in the local government review.

It is worth pointing out that the paper contained a chart which showed what was currently being paid at the present time. Page 27 shows that Loy Yang A's payment in 2004–05 was anticipated to be $1.75 million; Hazelwood, just over $1 million; Yallourn W, just over $1 million; Loy Yang B, $923 000; Newport D, $335 000; Jeeralang, $56 000; Valley Power, $124 000; Kiewa, $111 000; Dartmouth, $32 000; Eildon and Rubicon, $44 000; Bairnsdale, $150 000; and Toora, $77 000. The proposal that has been put in place is that there be a minimum flag fall rate and then a per megawatt hour amount would be charged according to the size of the generating capacity. In this chart there are a number of different arrangements showing what might happen in some or all of these particular circumstances.

The government now says:

> Following extensive consultations the independent panel recommended a standard methodology for annual payments by generators in lieu of council rates of $40 000 plus $900 per megawatt of rated capacity with discounts for generators operating at low capacity.

This is the new scheme that has been brought forward by the government. One could assert that it has a number of idiosyncrasies about it. If you look at the recommendations the government accepted, you find that the first recommendation was:

> Electricity generators should continue to have an option … to be able to elect not to pay rates … and to make payments in lieu of rates under specific provisions …

This was an accepted recommendation. The government has, as I said, brought in the $40 000 plus $900 indexed. It has given effect to panel recommendations that:

> Discounts on the payment figure should apply to generators operating at low capacity:
>
> a 50 per cent discount should apply to generators operating at less than 10 per cent capacity;
>
> a 25 per cent discount should apply for generators operating at between 10 and 20 per cent of capacity.

When we are at the committee stage we will be asking the minister some questions about the discount

capacity, particularly in relation to, for example, why there has not been recognition of the wind energy 35 per cent capacity factor. Of course recognition has been given to the others I have just mentioned which have reduced capacity. We all know that wind's capacity is not extensive, although some people claim otherwise, but one would have thought that there was a capacity here for the minister to have considered diverging slightly from the recommendations made to him by the panel and to have considered the position of wind farms, given that he is such a great supporter of this form of energy. While it has its place, we on this side of the house do not believe it is the panacea for the energy problems that face this state at the moment.

As an aside one might mention that there has been considerable discussion within the Labor Party recently about the use of nuclear fuel. We were very much interested to see the comments from Bob Carr in New South Wales, Anthony Albanese of course and Mr Garrett, who talked about whether or not nuclear fuel was an issue. What we do know is that wind is a notoriously unreliable source of power. On this side of the house we know that the Labor Party is struggling with its long-held opposition to nuclear power. We look forward to following the debate in the days ahead.

We will of course be talking about whether or not this particular scheme in the legislation before the house today discriminates against the wind farms on the ground that their capacity is not huge.

The fourth recommendation put in place is that:

> Notwithstanding this payment value —

referred to in the last two —

> generators and local government should be able to reach mutually acceptable agreements, on whatever terms and conditions are acceptable to the parties …

In other words, they can have a negotiation, they can have some argy-bargy.

Hon. Andrea Coote — Another one for Super Nanny?

Hon. BILL FORWOOD — 'Asseptable'?

Hon. Andrea Coote — No, argy-bargy.

Hon. BILL FORWOOD — Probably, but at this rate if you keep interjecting you will be on the naughty chair!

Recommendation 5 of the panel was that:

> Any existing agreements on foot should continue for the terms specified in that agreement …

Recommendation 6 of the panel relates to the arbitration agreement, and it details how this can and should take place. Again this in itself is not an exceptional clause. We now have a situation where alternative three — $900 per megawatt with a $40 000 base and discounts for the small wind generators — has estimated payments to be made in 2006, and it measures the amount of increase in dollars from last year. Under this scheme Loy Yang's rates would go up by $91 000. Hazelwood, which seems to be in the gun with this government at every twist and turn, would be slugged an extra $411 000. These four blokes are being done over big time by the government in relation to coal in the environment effects statement (EES), and of course they have also recently been hit by this massive doubling of the coal royalty they now have to pay in order for the government to pretend it is doing some work in the environmental area of drying coal. Yallourn's bill will go up by $276 000 and Jeeralang's by $174 000. Bairnsdale's will come down and Toora's will come down. Toora's bill will come down because at the moment it is actually paying rates according to the rating scheme rather than according to the new $40 000 plus 900 megawatts. If you look at this, the first $40 000 is the base because this is such a small wind farm. While it is grateful to get the $18 000 back — I am sure it is grateful for any relief it can get from the rapacious hands of this government or the councils that surround it — this is an interesting system, with a base of $40 000.

We think this whole scheme is a bit harebrained. It has not been particularly well thought out. As I said earlier, the ministers in question are hiding behind the panel report rather than thinking about what is the best way of doing this. To claim that this is simply applying the formula is to fly in the face of reality. I know the councils believe they have been dudded, I know the big generators believe they have been dudded and I understand the smaller generators think they have been dudded. In these circumstances one wonders why this minister, who is so capable in so many ways, has allowed this to happen. The only thing I can say is that unfortunately the Minister for Local Government seems to have got her claws into the legislation. Rather than this being a purist piece of legislation from the Minister for Energy Industries and Resources it has been tampered with by the money-grubbing, rapacious members of the government who believe that every time they can grab a buck they should do so as quick as they can.

We do not oppose this legislation in general. We think it is appropriate that generators do pay money to councils but we think there needs to be some certainty and some fairness. We are not at all sure the regime in front of us does that, and we look forward to going through the legislation inch by inch with the minister in the committee stage, which I am sure will be long, lively and robust. I point out again that we do not oppose this legislation — we support three parts of it, the three bits I dealt with first — but we do not believe that this piece of legislation, as it deals with wind farm rating systems, is anything like what the government tries to describe as a rating certainty for councils and energy generators. I look forward to the committee stage of the bill, which I presume will take place after the dinner break.

Hon. P. R. HALL (Gippsland) — This bill is described in the second-reading speech as an omnibus energy bill. It is in that it amends four different acts, all of which relate to various forms of energy. As Mr Forwood said, three of these areas are relatively minor, and The Nationals join the opposition in not opposing any of those parts of the bill. However, the fourth area is a major policy area and The Nationals cannot support it. Such is the strength of our opposition to that component of the legislation that we will be opposing the bill outright, and I will elaborate further on our reasons for doing so during my contribution.

I will deal firstly with the three minor issues that are not in contention so far as we are concerned. The first of those is in clause 3 of the bill, which amends the Electricity Safety Act. Essentially the clause clarifies the process whereby distributors have their electricity safety management schemes approved. I was advised at the briefing on the bill that what is proposed is the practice in place at this stage, so it purely clarifies the legality of having those electricity safety management schemes approved. We have no problem with that. The second area of the bill which is not in contention is clause 5, which amends the Gas Industry Act. That will simply enable the review of VENCorp to be started in 2006 rather than 2007. Again that is purely a machinery amendment with which we have no problems.

The third area of the bill that is also not in contention is clause 6, which makes amendments to the Fuel Emergency Act. That will simply enable the time allowed for declarations under the act to be in force for more than one week and up to three months in length. Again we have no difficulty with that. Mr Forwood mentioned the most recent example of that, where a fire at Energy Bricks in the Latrobe Valley stopped the production of briquettes. Provisions within the Fuel Emergency Act were enacted to ensure that those who needed the remaining briquettes from the supply that was available got them first

That emergency declaration had to be made week after week until such time as the problem was resolved. This amendment to the act will simply mean that we can have a longer declaration of up to three months where there is a crisis in a particular fuel. We have no problems with that.

Clause 4 contains a substantial issue of policy. Essentially this clause facilitates the new guidelines for how payment in lieu of rates can be made by electricity generators and how that will be determined. I want to spend some time on that, because that is the issue of contention, and we strongly oppose what is being proposed in respect of this matter. How we arrive at a new arrangement for facilitating the rating arrangements with power generators in this state is somewhat obscure, and you have to trek through a fair bit of information to find out exactly what is being proposed. I will quote clause 4, which states: (1) For section 94(6) of the Electricity Industry Act 2000 substitute —

> "(6) In determining an amount required to be paid under sub-section (5), an arbitrator must have regard to any methodology prescribed by an Order under sub-section (6A).
>
> (6A) The Governor in Council may, by Order published in the Government Gazette, prescribe a methodology for determining amounts payable under sub-section (5).

The rest of clause 4 gives some definitional arrangements. The essential part of the clause allows the government of the day to prescribe by order in council a new scheme for the rating of power generators in the state. The bill is silent on the methodology that is being proposed, so one needs to go to the second-reading speech to find out exactly what is being proposed, and then once again you only get a broad outline. The second-reading speech gives some background to the review of the rating arrangements for electricity generators that was put in place in — I think — August of last year by the Minister for Energy Industries and Resources and the Minister for Local Government. On this particular matter the speech says:

> This amendment to the Electricity Industry Act 2004 will allow for implementation, by order in council, of the panel's recommendations as to a revised benchmark methodology. The benchmark is based on a payment per megawatt of installed capacity, with a stepped payment schedule and discounts for generators operating at low capacity factors.

So once again the detail of the proposed methodology is just broadly described. If you want to look at exactly

what is being proposed, then you have to go to the panel's report itself.

Hon. T. C. Theophanous — That is why we have a report.

Hon. P. R. HALL — Exactly. What I am saying is that it is rather obscure; it is difficult to find out exactly what is being proposed, and it is a bit of a trek through all this information. I had to go through three documents to find out exactly what is being proposed; it is certainly not in the bill.

The final recommendations of the report, which were put in place last year by the Minister for Energy Industries and Resources and the Minister for Local Government, were only recently reported. Page 3(iii) lists the final recommendations, and I will quote them in the context of the arguments I will put about them. I will just say that the government has supported each of these recommendations.

The first recommendation states:

> Electricity generators should continue to have an option, under the Electricity Industry Act, to be able to elect not to pay rates under the Local Government Act, and to make payments in lieu of rates under specific provisions.

And I totally support that. The second recommendation states:

> Payments in lieu of rates should be based on $40 000 plus $900 per megawatt of rated capacity — both in June 2005 values and to be indexed annually to the Melbourne consumer price index.

This is a uniform methodology applying to all generators, and it is described as that in the report — and that is an issue I will argue in a short while. The third recommendation states:

> Discounts on the payment figures should apply to generators operating at low capacity:
>
> > a 50 per cent discount should apply to generators operating at less than 10 per cent capacity;
> >
> > a 25 per cent discount should apply for generators operating at between 10 and 20 per cent of capacity.

The fourth recommendation states:

> Notwithstanding this payment value, generators and local government should be able to reach mutually acceptable agreements on whatever terms and conditions are acceptable to the parties.

The fifth recommendation states:

> Any existing agreement should continue for the term specified in that agreement.

And finally:

> If parties are unable to reach agreement, then arbitration is to occur, taking into account the above basis. In addition, the arbitrator may also consider other issues presented by the parties which may be relevant, including but not limited to:
>
> > the age of the relevant generator, where this can be shown to have a demonstrable effect on the efficiency of its output; and
> >
> > the impacts of the generator on the local area, both positive and negative, again where it can be shown these impacts should have material effect on the proposed payment level.

So within those recommendations from the panel's report lies what clause 4 is all about. They give us an idea of what is going to be proposed by way of order in council.

The next thing I want to talk about is the impact of those recommendations on the rates currently paid by some generators and the payment in lieu currently paid by some generators, and they are contained on page 27 of the report, which lists the electricity generators in Victoria — coal, gas, hydro and wind generators. It lists their current payments and the payments they will make under three alternative scenarios suggested in this report. I will only look at alternative three, which is the one the panel finally recommended and the one the government ultimately adopted. It is interesting to look at some of the patterns in this table. Under this proposed order in council each of the coal generators, Loy Yang A, Hazelwood, Yallourn W and Loy Yang B, will be required to pay significantly more money by way of local government rates.

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

Hon. P. R. HALL — Prior to the dinner break I was commenting on the acts that will be amended by the Energy Legislation (Miscellaneous Amendments) Bill and I indicated to the house that The Nationals were opposing this piece of legislation. I was beginning to establish the arguments as to why we are opposing it, spelling out the fact that the provisions, particularly those of clause 4 with the proposed new rating arrangements for electricity generators, were certainly very objectionable to us and will cause us to vote against the bill in its entirety.

I had also spoken about the recommendations made by the panel appointed by the Minister for Local Government and the Minister for Energy Industries and Resources and their report which was published in December last year, *Local Government (Rating Arrangements under the Electricity Industry Act 2000) Review Panel.* In particular I was beginning to draw the

chamber's attention to the table on page 27 of that report and the patterns contained therein. I was about to make the point that if you look at all the coal generators in this state — that is, Loy Yang A, Hazelwood, Yallourn W and Loy Yang B, you would notice that each of those is proposed to pay a significant increase on the rates they have been paying to date. Loy Yang A will be paying just under $2 million in rates to Latrobe City Council — that is, an increase of $91 000. Hazelwood power station will be paying almost $1.5 million in rates per year, an increase of $411 000, almost a 50 per cent increase, that it is being asked to pay under these proposals. Yallourn W will pay rates that represent an increase of $276 000; whereas Loy Yang B will pay just under $1 million, an increase of $17 000.

It is interesting to note that Latrobe council will collect rate revenue from those four brown coal generators in the order of around $6 million per year, which is a pretty significant amount of money. Currently it receives around $5 million. Latrobe council would like to be rated differently from what is proposed here; it would like to be collecting about $7 million, but it will be collecting about $6 million. It is a significant increase in rate revenue that will be collected by Latrobe City Council with respect to its brown coal generators.

Further, if you look at the patterns of the gas power stations, you see that Jeeralang gas power station will be paying rates that represent an increase of $174 000; Valley Power will pay rates that represent an increase of $31 000; and Bairnsdale, which is a gas-fired power station and is the only actual fossil fuel generator, will pay rates that represent a decrease of $38 000. The three hydro power stations under that table, Kiewa, Dartmouth, and Eildon and Rubicon, will also pay significantly more in local rates under these provisions — Kiewa, $50 000 extra, Dartmouth, $99 000 extra, and Eildon and Rubicon $78 000 extra. These are significant amounts of money, particularly given the fact that those hydro power stations have a capacity factor of only something like 15 per cent, which is the figure used in this table. Surely if this government were really trying to promote the use of renewable energy one might think it would be more sympathetic to the hydro-electricity generators than it appears to be under this proposal.

I will go to the final four, the wind generators that we have operating in Victoria at the moment. I particularly want to mention Challicum Hills and also Codrington. They were our first two wind generators — —

Hon. W. R. Baxter — No, the first was Toora.

Hon. P. R. HALL — Toora, I beg your pardon. Following Toora they were the next two. Certainly both of them were bigger than the Toora wind power station. Both of those power stations are yet to pay rates to their local municipality.

If I were a constituent of one of those local government areas, I would feel outraged that they have yet to pay any rates whatsoever. In the last financial year Toora made a payment of $77 000 in rate revenue to the South Gippsland Shire Council. The Portland wind farm is proposed, so it is not listed and has not paid any rates to date. Interestingly the Toora power station paid $77 000 in the last financial year and under these proposals it will pay $59 000 a year in rates — a fairly significant reduction of $18 000. The patterns are interesting. Under these proposals we will see brown coal generators, hydro power stations and most gas power stations paying significantly more in rate revenue but it seems that the wind generators will be getting a further handout from the government with a reduced rate payment every year.

This report and its recommendations, which the government has accepted and now proposes to implement, have made very few people happy. The brown coal generators are not happy. The councils are not happy, particularly the City of Latrobe, the Shire of South Gippsland and some of the others that have made comment on the panel's report. They are certainly not happy with the recommendations proposed there. My constituents in South Gippsland are not happy that the Toora wind farm is being given a further bonus by way of reduced rates. All that leads The Nationals to say that we cannot support it.

What do we think about these things? I believe the panel erred in trying to find a solution that suits all. I believe there is sufficient cause and reason to show that we should have had a different rating structure for brown coal-powered generators and wind and other renewable energy generators. I want to go through the reasons I believe there should be a two-tiered rating system that treats each type of facility differently. First I turn to brown coal generators. They have been around in the Latrobe Valley since the 1920s and 1930s when the first brown coal-fired power stations were brought on line.

It is worth mentioning that initially those brown coal generators did not pay any rates at all until the Kennett government introduced provisions that required them to make a payment in lieu of rates. Most were still publicly owned at that time. The Kirner government had brought in Loy Yang B and sold it to private interests — the first privately owned generator was

established under the previous Labor government — but even those in public ownership were required to make a payment in lieu of rates under reforms introduced by the Kennett government. That is a bit of the history about brown coal generators, how long they have been around and when they first started paying rates.

The brown coal generators have been the base for economic growth and employment in the whole Latrobe Valley region. They have provided a very significant community benefit over the time they have been established. I also make the point that the land values around the brown coal generation area are well established. We have not seen large fluctuations in land value purely as a result of an expansion of some of the brown coal generators; essentially they have had little impact on the neighbouring land values in the Latrobe Valley area. There is a difference between brown coal generators and other types of generators because of the valuations applied to the their infrastructure, which is quite different from that of other industries. At this point in time valuations have been taken on the whole-plant value of a power station. If you look at other industries, you see that valuations are taken on capital improvements and the machinery within those capital improvements is not counted as part of the valuations. With brown coal power stations, the whole unit — the generators themselves and the associated infrastructure — is fully taken into consideration when valuations are made, and consequently they are valued differently to other industries in the area.

I make the comparison with wind power stations. I note that this legislation now entrenches the term 'wind power stations' By the effect of this bill the government now considers wind farms, as they were called in the past, to be wind power stations, grouping them with all other forms of power stations. In response to the argument that they should be treated differently, I say firstly that they provide no local community benefit whatsoever. There is no permanent employment associated with wind farm developments and there is no advantage in terms of security of supply for the local area.

Hon. T. C. Theophanous — That is not true.

Hon. P. R. HALL — Mr Theophanous says that is not true. If you take a look at the Toora wind farm in South Gippsland, there may be one person involved — one permanent job arising out of the Toora wind farm — but no more.

Hon. T. C. Theophanous — You said none.

Hon. P. R. HALL — All right, let us say I was wrong, let us say there is only one permanent job being created — —

Hon. T. C. Theophanous — There might be two or three.

Hon. P. R. HALL — There are not two or three, at best there is one permanent job being created from the establishment of the Toora wind farm. Compare that with the brown coal power stations, where many hundreds of permanent jobs are created. Brown coal power stations therefore have a much bigger long-term impact on the local economy.

Secondly, wind power stations devalue the land around them. Neighbouring land values have fallen. The valuations applied by the Shire of South Gippsland to neighbouring properties to the wind farms at Toora have shown a decrease in their valuation. Consequently the local shire is picking up less in terms of rate revenue from those neighbouring properties. Wind power stations have devalued land on which they sit and the land around them. The third point I make is that wind power stations have stifled economic growth in their local areas. If you talk to the real estate agents in the Foster and Toora areas, you will note that the number of property sales around the locations of that existing wind farm and the proposed wind farm at Dollar have virtually ceased because people do not like to buy land around wind farms. The same applies to the building of houses: where houses were proposed to be built on land around those wind farms those plans have been put on hold because people do not wish to live near wind power stations. I claim that the presence of wind power stations stifles economic growth, unlike brown coal power stations, which enhance economic growth.

Fourthly, wind power stations have introduced a range of new local environmental negatives, particularly in terms of landscape values. The imposition of these 110 metre-high towers on the landscape has detracted from the area. There are noise issues associated with people living alongside these wind power stations, as well as blade glitter and bird kills. Environmental issues of that nature have detracted from the amenity of the local areas. They should be treated differently because they are different bodies. To try to make up a formula that adequately fits both types of generation facilities is impossible, and that is why we have discontent being expressed by councils and brown coal generators saying that this proposed system is simply not fair. Interestingly we do not hear any objections from the wind developers. They think it is great, because they are getting a reduction under the scheme being put forward by this amendment bill.

How can we possibly support legislation that gives a further handout to wind farm operators and places an additional burden on coal generators — and indeed places additional burdens on most of the gas generators and all of the hydro generators in Victoria? That simply does not make sense. As I said, it has not pleased too many people. You only have to look at the comments in the *Latrobe Valley Express* of Monday, 9 May, and the views expressed by the City of Latrobe on the proposals this amendment bill seeks to put in place. I quote from the front page:

> Last week's decision has angered Latrobe city councillor, Graeme Middlemiss, who believes the government did not want to slug power stations with large increases in both the coal levy and the council payments in one week.
>
> 'It's obvious that a fair rating system hasn't been introduced because of the increase of the coal levy', Cr Middlemiss said. 'But the coal levy was increased to benefit all Victoria … the limit on rates in favour of the coal levy means the people of Latrobe city are subsidising all of Victoria.'
>
> He said he would urge council to request the state government makes an annual payment out of the coal levy to Latrobe city to cover the rates shortfall.

Graham Middlemiss is a good Labor man; if not the current secretary, he is the former secretary of the Gippsland Trades and Labor Council. Yet he is very critical of his own Labor government because of the fact that it put in place these proposed mechanisms which limit what he believes should be collected by Latrobe City Council from the brown coal generators, and points the finger at this government for introducing a further levy on brown coal generators in the last budget, known as the brown coal levy. Consequently what this government is doing is slugging the brown coal industry twice by increasing the rates they will now have to pay and also increasing the brown coal royalties they have to pay. That is another reason why we do not think that this is a fair system.

Latrobe council is not happy with it and the power generators are not happy with it. I quote from the same article of the *Latrobe Valley Express* of 9 May, this time on page 4, which states:

> … International Power Hazelwood … chief executive Dave Quinn described the combined impact as 'a very bitter pill to swallow'.
>
> 'It is worth reminding the community that the privatised generators contribute tens of millions of dollars per year into the local economy through contracts, wages, donations, sponsorships and the very real and significant support that we give to our community organisations', he said.

We have similar comments of criticism from Joseph Cullen, chief executive officer of South Gippsland Shire Council, in the *Star* of 10 May, when he said:

> The gap between what we have been receiving at Toora and what we can expect to receive is large enough, but when you are talking about these bigger facilities —

he is talking about the new proposed wind farm at Dollar in particular and the further one at Bald Hills —

> the gap between CIV and what they are offering is massive …
>
> These turbines are worth upwards of $2 million each, so the improvement to the land is significant.
>
> … a further complicating factor was the discounts to be offered on rates when output is less than 25 per cent of capacity.
>
> Who is going to monitor this and keep records? We certainly couldn't do it' …

That brings me to one of the finer points that I want to make in this contribution.

Hon. T. C. Theophanous — The member has not made any finer points so far.

Hon. P. R. HALL — We will hear from the minister in reply, although I do not know whether it will be worth it. Usually we do not hear much of any substance from him.

I want to go to the last point Mr Cullen made about the concessions that may be applied to facilities that operated at less than 50 per cent capacity or less than 25 per cent capacity. The provisions proposed by this amendment bill will give rate discounts if some generators operate at lower than maximum output. It goes back to a question I asked the Minister for Local Government three weeks ago in this chamber about who is going to monitor the output of some of the renewable generators, particularly the wind farms in South Gippsland. Who is going to monitor and record whether they achieve a 35 per cent outcome, whether it is 25 per cent or whether it is less than 25 per cent, because obviously if they achieve less than 25 per cent of their nominated capacity they are eligible for a reduced rate payment. Who is going to monitor that?

I asked the Minister for Local Government because it was she who published the report and the government's response to this panel and the minister indicated to me in her answer to the question that she did not know that detail and she would get back to me. Today, three weeks later, I still have no response on that issue. That further concerns us greatly in The Nationals, and it is further reason why we are going to oppose this bill. I can only assume from the minister's non-response in the three weeks since I asked the question that the minister does not know. If the minister had an answer for me, I am sure she would have given it to me in this

three-week interval. I have not got an answer at this point in time, the government does not know, it was policy that was produced without it fully understanding or working out the mechanics of how it is going to be introduced. That is another substantial reason why we are going to oppose it.

Hon. T. C. Theophanous interjected.

Hon. P. R. HALL — Does the minister want me to repeat the question? I want to find out who is going to monitor the actual output of generators, particularly renewable generators, because if they are less than 50 per cent capacity, or if they are less than 25 per cent capacity, they get a reduced rate. If one of the wind farms generate less than the proposed 35 per cent that this has been modelled on in the panel's report, I want to know who is actually going to report it, whether that is going to be public information and how that is going to be conveyed to local governments for the purpose of striking a rate. That was the question I asked three weeks ago and that was the question to which I still have no response. I repeat: my assumption is the government does not know the answer to the question; it simply does not know how these rating agreements are going to work. We are not prepared to support something which we do not understand. I do not think the government fully understands the agreements itself.

These proposals in the bill whereby brown coal generators are further slugged and wind generators are given another handout by this government are simply not supportable. Further, the fact that hydro power stations, particularly hydro plants that have been in place for a long time in Victoria, have now been required to pay increased interest rates simply does not make any logical sense given that the government says we should be encouraging renewable energy. For all of those reasons we are going to oppose the bill. I look forward to the minister attempting to at least provide an answer to the question I have raised during the committee stage of this debate.

Mr SMITH (Chelsea) — I am pleased to rise and make a small contribution on the Energy Legislation (Miscellaneous Amendments) Bill. This bill has been referred to as an omnibus bill, whatever that is. I am assuming it is a compilation of amendments to a number of acts, including the Electricity Safety Act 1998, the Electricity Industry Act 2000, the Gas Industry Act 2001 and the Fuel Emergency Act 1977. The bill actually amends a number of provisions.

An honourable member — Four.

Mr SMITH — Sorry?

The PRESIDENT — Order! Ignore the interjection; the member was not in his place.

Mr SMITH — The only reason I did not, President, is that I thought it was you trying to help me. I did not realise it was Mr Forwood hiding in the corner over there.

Clause 3 of the bill improves the management of safety schemes. The amendments in this clause are necessary to remove the uncertainty when electricity management schemes are submitted by electricity distributors. In his contribution to the debate Mr Forwood suggested that there was something incompetent about the amendments from the government insofar as there were amendments so soon. I suggest this is a demonstration of the government's willingness to continuously improve every facet of all legislation that it possibly can, and it will always do that. Bills never last forever; we all know that.

Clause 4 deals with the setting of council fees and the establishment of an arbitrator for settling disputes that may arise with regard to what fees ought to apply, as opposed to rates. The difference is, of course, that the traditional brown coal industry pays rates to the local councils. It has been agreed by the parties that the wind farm companies will pay a fee of some description to be negotiated by the parties. As I understand it, they are all happy with that system.

Clause 5 amends the Gas Industry Act, and clause 6 amends the Fuel Emergency Act. This amendment extends the time the minister of the day has to ensure supply of any type of fuel. As we know, when there are crises in different parts of the fuel industry on occasion the minister needs to intervene and ensure that the public interest is served by ensuring supply. The amendment extends the time that is allowed from one week to three months. I think it is fair to say that that is warranted and is not disputed by anyone.

The Nationals and the Independents have opposed this bill in the Assembly and, as we have just heard, are opposing it here as well. That is a bit disappointing, but I suppose when you look at their whole strategy — 'strategy' might be taking it a bit too far — their actions in opposing this and their on-the-ground scare tactics et cetera, you would not expect anything else. The Nationals in particular have been running a scare campaign and have been scaremongering particularly in the Latrobe Valley about devalued land and so on. They are absolutely adamant that farms adjoining wind farms will be significantly devalued. I have no doubt that some ordinary residents or citizens would actually believe this to be so when their representatives in

Parliament were telling them that it is, which is disappointing. In my view it is scurrilous of the Nationals to constantly suggest to their constituents down there that their properties are being devalued in any way. There is absolutely no evidence to support this, and it is just pathetic of them to continue with that particular line. Again I suppose if you are as politically desperate as The Nationals are at the moment you would do anything and say anything for a headline. That is all this is: just trying to grab a headline, and a cheap headline at that. When it concerns ordinary people, whether they be farmers or other working people, it is even more damaging, in my view.

If they were serious they would be supporting this bill on the basis of the extra money it will generate to local councils. It is estimated that at $40 000 plus $900 per megawatt et cetera the local councils down there would generate, on an annual basis, something like an extra $245 000. If you extrapolate that out to 20 years, you are talking $6.5 million, $6.6 million or $6.7 million, with inflation and so on. That is significant money for local government in that particular area. Why would they oppose that? It makes no sense; it is a contradiction. They want local people to be looked after by their councils and governments but do not want anyone taxed and any resources provided for them to do it.

There is no question in my mind that this is good legislation. There has been some almost heated consultation on the matter of whether or not the wind industry should pay rates in the same way as the traditional power industry. The local members down in the area have been heavily involved in this particular exercise, and as a result of the extensive communication and consultations that have taken place we now believe we have a system that is appealing to all parties.

In my humble opinion this is good legislation — so good, in fact, that Tasmanian local governments are appealing to the Tasmanian government to give them the same system. That suggests to me that we must be doing something right. All credit to the minister, of course; he ought to be congratulated on it. I for one congratulate the minister. This is good legislation. In my view it deserves the support of the house.

Ms ROMANES (Melbourne) — I thank the house for the opportunity to speak on this omnibus Energy Legislation (Miscellaneous Amendments) Bill. The bill covers four areas. They are the safety management schemes, the rating arrangements under the Electricity Industry Act 2000, the timing for reviews under part 8 of the Gas Industry Act 2001 and the provisions relating to proclamations of emergency under the Fuel Emergency Act 1977.

Obviously the part of the bill that has caused most interest among members of the house is that which refers to the rating arrangements under the Electricity Industry Act 2000. Currently section 94 of the Electricity Industry Act allows for generators not to pay rates under the Local Government Act but to enter into alternative arrangements. The uncertainty relating to those alternative arrangements and the negotiations and costs of legal and other financial advice had led to some concern in the electricity industry and amongst local governments. It was that lack of certainty which led the government to review the rating arrangements for generators, especially taking into account new generators that are looking to establish in different areas.

The government established an independent panel which undertook a range of consultative processes to invite different opinions and consideration of an appropriate way forward for all parties. As a result the independent panel put forward a new benchmark methodology to strike a balance between the competing demands of local government and generator businesses. The method, which has been outlined by other speakers, provides greater certainty for generators — be they coal, gas or wind generators — while at the same time protecting the revenue base for local governments. We all have to admit that there has been widespread concern amongst local governments that they have not been getting a fair share of rate return from the electricity industry, which of course is responsible for considerable assets in our community.

What has been put forward by the independent panel, which is reflected in the bill before the house tonight, is a new benchmark methodology that provides for greater consistency and creates a base for greater growth for the electricity industry across Victoria, because it provides uniformity. It provides uniformity across councils in the methods being applied for generators for payments in lieu of rates. The process has been a good one, because it has involved local governments, industry and the community. It has involved a good assessment of the pertinent issues in this debate.

There has been opposition from The Nationals to the proposals regarding rating arrangements, and there is ongoing opposition from it regarding wind farms and their place within the electricity industry of this state. It is disappointing that The Nationals remain implacably opposed to wind farms, a source of renewable energy that can add to the flexibility of power sources in this

state. Its members continue to talk down those wind farms and promote a scare campaign without any evidence of the problems they keep putting forward. I have to admit that I am a strong supporter of wind farms. They make a lot of sense to me and to a lot of other people in the community who are growing increasingly concerned about the problem of global warming. Even the changes in climate and temperature we seem to be experiencing in this state at this time — at a time of year when we are normally heading into a colder winter period — start to raise alarm bells with us all. When Dr David Green, one of the energy advisers to Tony Blair, the Prime Minister of the UK, was visiting I asked him as an expert in renewable energy who has been working in this field for many years — in fact for decades — what is the most efficient renewable energy source the community could use? His answer was wind farms. His answer was in the context of a long history of involvement in the renewable energy sector — —

Hon. Bill Forwood — No wonder his name is Green!

Ms ROMANES — It is a good name for him, isn't it? As well as being in favour of wind farms because of their benefit to the environment, I am one of the school that sees them as visually beautiful — in fact, as sculptural. They certainly leave the ugly electricity poles and transformers that litter our streets, cities and country roads far behind.

Hon. P. R. Hall — I've got a lady who will see 20 of these out of her lounge room window.

Ms ROMANES — I say to Mr Hall that I have been to Toora to look at them up close, and I still like them. Many people find them very attractive. We all live with very ugly electricity poles right outside our front windows and doors and in our streets. I have also been up close to listen to them. I had to get very close — within a few metres — to hear any noise coming from them. They are very quiet. If you compare that noise with what is heard in suburban streets, cities and country towns, the background noise pollution from traffic, construction work, lawnmowers and aeroplanes leaves a lot to be desired compared to the quiet hum of wind generators. A country highway is hugely noisy by comparison.

Mr Hall and other National Party speakers raised the issue of the devaluing of properties. As we know — —

Ms Hadden interjected.

The PRESIDENT — Order! The member has just walked into the chamber. She has not been here 2 seconds and she is interjecting.

Ms Hadden interjected.

The PRESIDENT — Order! I ask Ms Hadden to desist from interjecting. She has just walked into the chamber and she starts interjecting. I ask her to desist forthwith.

Ms ROMANES — The valuation of properties is a questionable issue. It reminds me of the alarmists who tried to say that heritage controls would affect the value of their properties. There are many factors that affect the value of properties at different times and in different places over different periods. A direct connection between heritage, wind farms, a construction, a factory or a road will vary depending on the time, place and period. It is not a foregone conclusion that wind farms will devalue properties.

Ms Hadden — She has no idea; she is from Brunswick.

Ms ROMANES — In the early 1990s Brunswick had the first wind generators installed and connected interactively into the grid — the first in Australia. What the government is doing here is looking at a consistent, uniform scheme to rate wind farms across Victoria as they should be rated.

Hon. Bill Forwood — How were they connected?

Ms ROMANES — I am sure they were rated; they were on the Brunswick electricity supply property. They provided electricity into the grid and into the CERES community farm. If the National Party were really interested in protecting local government revenues it would be supporting two proposed wind farms in South Gippsland — Bald Hills and Dollar — because on the basis of the formula of $900 per installed megawatt and $40 000 as the base cost together these wind farms would bring in increased rates of almost $245 000 every year. Over a 20-year project life that is almost $6.6 million extra for the South Gippsland shire council.

This is an important bill which provides for a rating base on which the electricity industry can grow and go forward in Victoria. It is such a good scheme and proposal that even local governments in Tasmania are calling on the Tasmanian state government to follow Victoria's lead. I commend the minister and the government on resolving this issue, which has up to now injected considerable uncertainty into the electricity industry. I commend the bill to the house.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I want to make a few points on the legislation. It has already been said that there are bit parts to the bill, and I will not comment on three of the parts because I do not think they are controversial, but I will comment on some issues raised about local council rates. To bring some sense back into the debate I have to say that this is not a simple issue and has never been an easy issue to deal with, going back to the time of the Kennett administration when the then government had to figure out how much base-load generators should be charged in their local council rates. In the end a decision was made that was unsatisfactory from everyone's point of view because there was no real logic to it.

Hon. Bill Forwood — We based it on yours.

Hon. T. C. THEOPHANOUS — It was based on a precedent, and there was not much logic associated with it. One of the things I wanted to do in taking responsibility for this was to bring some methodology and logic to the rating issue. That is why we had an independent review undertaken to examine these aspects. I will go through each one because I think the issues in relation to base-load power are different from the others.

Let me make this point. I know that members have said that people are unhappy about various aspects of the bill. The thing about being in government and having to create a balance is that sometimes the best result is where everyone is a little unhappy and no-one is completely happy. As Mr Hall pointed out, the producers are not happy having to pay an extra $1 million in rates for their base-load generators. They have made absolutely clear to me that they are not happy about that. The local councils, on the other hand, are also unhappy because they think $1 million is not enough and they should be getting at least $2 million or $3 million or possibly more. If you look at the documentation you see that the amounts identified as total revenue from these proposals go up from $5 741 000 to $7 094 000. It is a significant increase in revenue to councils, but if you adopted the Moyne council proposal it would have resulted in an increase of over $10 million. That may have made the councils happier, but it would certainly have made the generators very unhappy, so this was a balanced approach. At the minimum, if you think about it carefully, $1 million extra in rates for the base-load generators is not an unreasonable increase. It is a balanced response, although you may argue about the methodology that brings it to that point.

I want to make one other point about base-load generation and why I think this methodology is so much better than other models that have been proposed. This goes to the point made by Mr Forwood about Hazelwood having to pay an extra $400 000 whereas Loy Yang A pays a significantly lower amount — I think $91 000 — extra. Mr Forwood may want to think about this, because it actually reflects the different type of approach going from the previous system to the current system. The approach of the previous system was based on capital value, and Hazelwood has a lower capital value — it is an older power station — than Loy Yang A, and that is reflected in the higher rating which Loy Yang A had under the old structure.

Hon. Richard Dalla-Riva — President, I direct your attention to the state of the house.

Quorum formed.

Hon. T. C. THEOPHANOUS — The point I was trying to make in relation to Mr Forwood and his comment was that because this new system is based on output it is no longer favouring the dirtier, older power station over the brand new facility which has a higher capital value. I would have thought that is a logical and good thing. You would not want an older power station with bigger environmental consequences paying less in proportional terms for its output than another power station.

I want to take some time to put the situation of wind farms into some perspective, because both Mr Hall and Mr Forwood made comments about them. Although points have been made by Ms Romanes in relation to the important contribution that wind farms make to renewable energy in this state, the government does not see wind farm developments as the only factor it takes into consideration. The government takes another important factor into consideration — that is jobs and creating an industry and investment in regional Victoria. I say to Mr Hall that a number of full-time jobs would be created if we could get this industry off the ground successfully. Even in the industry's current state, where a significant number of things are holding it back, there are 50 jobs in the blade factory at Portland, 80 jobs in the tower construction that is taking place and, of course, hundreds of jobs involved in putting the towers into locations, whether they be in South Gippsland or other parts of the state. Mr Hall also mentioned Ararat, and I am happy to hear from him that The Nationals are supportive of that development.

Ms Hadden interjected.

The PRESIDENT — Order! I have already drawn Ms Hadden's interjecting to her attention on three

separate occasions. If she interjects again I will use sessional orders to remove her. I ask her to desist from interjecting. As a temporary Chair she should know better.

Hon. T. C. THEOPHANOUS — A considerable number of jobs are involved if we can get it right in relation to the industry. I am saying we recognise there are going to be some sensitivities in some areas. There are processes to deal with those, but we do not think it helps for The Nationals, for example, to talk about how South Gippsland Shire Council will be worse off, when if you take into consideration the planned and present facilities there, ones that have been approved, not ones — —

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — The Bald Hill and Dollar proposals, together with the existing facilities, as my colleague indicated before, will yield a result in the order of $6.5 million in rates over the projected life of these plants. I would have thought there would be plenty of people in the South Gippsland area who would not mind the collection of that level of rates for the benefit of the local area.

Hon. P. R. Hall — How much is that for the year?

Hon. T. C. THEOPHANOUS — It is $245 000 a year, which is not an insignificant amount of money. Mr Hall wanted to make an issue in relation to property values. First of all, the jury is certainly at the very minimum out in relation to property values. I draw Mr Hall's attention to one of the few reports that have been done in the United Kingdom by the Royal Institution of Chartered Accountants, which concluded that it was too early and that they could not confirm empirically — —

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — At least I am referring to some report. Mr Hall has not referred to any report whatsoever. If Mr Hall looked at property values across Victoria, he would see there has been a downturn in those values.

Hon. P. R. Hall interjected.

The PRESIDENT — Order! Mr Hall has had his opportunity.

Hon. T. C. THEOPHANOUS — Mr Hall has not looked at this at all, and to come in here and make the suggestion that somehow he knows better than anyone else is not true. The government does not accept the arguments that have been put forward. We will continue to support wind farms in appropriate locations. I make the point that there have been wind farms which have been rejected and which have not gone forward because they may not have been in appropriate locations. We are looking at this issue very sensitively.

I conclude by making this very simple point: our position is that we are not prepared to simply stand by and watch while around us the whole world is doing an enormous amount of things in relation to renewable energy. I say to Mr Hall that it may not be the full answer, and it might not deliver everything we want. Not only are we trying to deliver renewable energy to reduce emissions we are also trying to reduce emissions from brown coal power stations through new technology. This government is trying to do something about the environment while at the same time delivering to local communities, delivering to local councils and delivering on the environment.

House divided on motion:

Ayes, 37

Argondizzo, Ms	McQuilten, Mr
Atkinson, Mr	Madden, Mr
Brideson, Mr	Mikakos, Ms
Broad, Ms	Mitchell, Mr
Buckingham, Ms	Nguyen, Mr
Carbines, Ms	Olexander, Mr
Coote, Mrs	Pullen, Mr (*Teller*)
Dalla-Riva, Mr	Rich-Phillips, Mr
Darveniza, Ms	Romanes, Ms
Davis, Mr D. McL.	Scheffer, Mr
Davis, Mr P. R.	Smith, Mr
Eren, Mr	Somyurek, Mr
Forwood, Mr	Stoney, Mr
Hilton, Mr	Strong, Mr
Hirsh, Ms (*Teller*)	Theophanous, Mr
Jennings, Mr	Thomson, Ms
Koch, Mr	Viney, Mr
Lenders, Mr	Vogels, Mr
Lovell, Ms	

Noes, 5

Baxter, Mr	Hadden, Ms (*Teller*)
Bishop, Mr	Hall, Mr (*Teller*)
Drum, Mr	

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 3 agreed to.

Clause 4

Hon. BILL FORWOOD (Templestowe) — Clause 4 is the key to the bill before the house. It says that if agreement cannot be reached between the generator and the local council then it will move to arbitration. It also says that the arbitrator must have regard to any methodology prescribed by an order under new subsection (6A). Can the minister outline to the committee what he thinks that methodology might be and whether he might care to table for the committee a copy of the methodology that the arbitrator will be required to use?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — As indicated in the second-reading speech, the order in council will be put by the government and it will reflect the recommendations made by the independent panel.

Hon. BILL FORWOOD (Templestowe) — Will the methodology include the length of time for which any agreement will stand?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — The methodology is about the determination of the rates that would be paid. It is not really about the agreement as such. The agreement would be able to be negotiated between the council and the relevant generator. If that agreement said, 'We are going to use the methodology that is outlined in the order in council', then the parties could use that methodology and it would apply, presumably, until such time as there was further negotiation in relation to any further agreement.

Hon. BILL FORWOOD (Templestowe) — I thank the minister for his answer, but I am not sure it gets us all that far. I refer the committee to the position where an existing agreement has expired, and the generator enters into negotiations with the council and they are unable to reach agreement, firstly, over the length of time the new agreement should apply, and secondly, over the amount of money. The matter then goes to arbitration and, according to the methodology, one would presume that in those circumstances the methodology must include a time frame. Otherwise we still do not have an agreement.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — Obviously if no agreement was able to be reached in relation to the length of time the rating would apply, then the methodology would come into play in terms of the amount of the rate. If there was no agreement about the length of time going beyond the normal rating period of the local council, it would have to be renegotiated at every occurrence of normal rating by the local council. Presumably if there were annual rates and the council and the generator could not agree on a three-year agreement — if that is what Mr Forwood is suggesting as an example — the rate that would apply would be the rate for that year, calculated on the methodology. In the following year there would be other discussions between the council and the generator and if they could not reach agreement the rate would be applied in accordance with the methodology again, and so on.

Hon. BILL FORWOOD (Templestowe) — I ask the minister whether the methodology would be totally all-encompassing, or whether it would be open to the arbitrator to take other factors into account in addition to the methodology prescribed under the order in council?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — My understanding is, and the bill states, that the arbitrator must have regard to the methodology. As a consequence, obviously the arbitrator may be able to enter into some discussions about other factors with the council and the generator, and may be able to sponsor some moderate or slight variations on taking other factors into consideration. But at the end of the day, if he cannot get very far then he is simply required to apply the methodology.

Hon. BILL FORWOOD (Templestowe) — I thank the minister. That leaves open the situation where he must apply the methodology, but he can also apply anything else outside the methodology, presumably with impunity. He does not need agreement from other people to do it. As he is the arbitrator, he arbitrates according to what must be done, and then he brings in his own ideas and suggestions over the top as well.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — He can only reach variations in relation to the application of the methodology with the agreement of both parties.

Hon. BILL FORWOOD (Templestowe) — Where does it say that?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — Given that he must take account of the methodology, obviously in taking account of it he can also explore the possibility of other factors with the generators and the council. However, in the event that either side is not prepared to entertain those differences, then he would have to come back to what the bill prescribes, which is that he must apply the methodology.

Hon. P. R. HALL (Gippsland) — In respect to that point, I draw the minister's attention to panel

recommendation 6, which has been adopted in full by the government. The panel recommended that:

> If parties are unable to reach agreement, then arbitration is to occur, taking into account the above basis. In addition, the arbitrator may also consider other issues presented by the parties which may be relevant, including but not limited to:
>
> > the age of the relevant generator, where this can be shown to have a demonstrable affect on the efficiency of its output; and
> >
> > the impacts of the generator on the local area, both positive and negative, again where it can be shown these impacts should have material affect on the proposed payment level.

There are two additional issues presented by the parties that clearly the panel recommendation suggests the arbitrator may consider. The wording is 'not limited to', so in response to the questions being asked by Mr Forwood I would interpret that as being both of those plus any other relevant issues which may be considered by the arbitrator. Am I correct in coming to that conclusion?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — Nothing in what Mr Hall has indicated is inconsistent with my answer to Mr Forwood — that is, that as Mr Hall has noted in the recommendation, obviously the arbitrator may consider a number of factors which are listed, where the parties are unable to reach agreement. However, it is clearly the case that if final agreement is not able to be reached then the arbitrator is required under the act to apply the methodology as listed in the panel report.

Hon. P. R. HALL (Gippsland) — Further and related to that point, I ask the minister this question in regard to his concluding comments in the second-reading debate, where he suggested that the marked increase to be paid by International Power Hazelwood was due to the fact that its capital valuation was not as great because of its older plant, that was why it received a bigger increase. But my reading of panel recommendation 6 is that in coming to his decision the arbitrator may take into consideration various things. I presume the arbitrator comes to a decision; he does not sit down and say, 'Do you agree?'. The arbiter is a person who has to arbitrate and come up with an answer, which needs to be accepted by both parties. I do not think either party has the option of rejection as such. Hazelwood would simply go in and argue about the age of its generator. Therefore I ask the minister: what is substantially different between the current arbitration process in place and the new arbitration process whereby Hazelwood, for example, can still argue that the arbitrator needs to take into account the age of its generation facility?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I am advised that the arbitrator is able to consider the issues that have been identified by Mr Hall, including — and I think it is listed in the recommendation — the age of the relevant generator and so on. However, I am again advised that he is not able to make a recommendation without the agreement of both parties, which is inconsistent with the principal recommendation of the panel — that is, that payments in lieu of rates should be based on the formula of $40 000 plus $900 per megawatt and so on. So while in trying to bring the parties together the arbitrator can consider a range of issues, including the age of the generator and so on, it is in the context of trying to gain agreement from the parties. In that context he can take into account the issues of the age of the generator and so forth. However, at the end of the day, under the act the arbitrator must apply the formula as determined by the panel, which I have already outlined.

Hon. P. R. HALL (Gippsland) — I still do not completely understand the role of the arbitrator, so I present this scenario for the minister's consideration. If, for example, International Power Hazelwood is now required to pay $1.48 million under the methodology of $900 per megawatt plus the $40 000 base and there is no agreement on that, and the arbitrator sits down with International Power Hazelwood and Latrobe City Council and takes into account issues like the age of the generation facility at Hazelwood and comes to the conclusion and suggests, 'I think that the payment in lieu of rates should be $1.2 million instead of $1.48 million', and Latrobe City Council does not accept the suggestion of $1.2 million, does that mean that the arbitrator has no option but to leave things as they stand and require International Power Hazelwood to pay $1.48 million? If that is so, I ask: what is the point of having arbitration?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I have had a very close read of the wording in this document, and I accept that when it is read at face value it could be interpreted as having some ambiguity associated with it. That is because if you read the recommendation carefully you find it says that where:

> …parties are unable to reach agreement, then arbitration is to occur, taking into account the above basis —

which is the formula that is being identified. It then goes on to say:

> In addition, the arbitrator may also consider other issues presented by the parties which may be relevant —

and it goes on to list those issues. At face value in reading that it suggests that the arbitrator is able to make decisions outside of the formula by taking into account the formula but then saying, 'Oh yes, but I am going to allow a discount or impose more or do something else' for a variety of reasons which are the reasons listed there but not limited to those reasons. What I can say to Mr Hall is that I will study this very carefully in producing the guidelines.

It would certainly not be my intention to allow a second window of debate over the formula and what is being charged in the rates, because in my judgment obviously those things may be taken into account by the arbitrator, but he would have to do so in a way that is consistent with the formula, except in circumstances where both parties agree. That is how I would see this as being implemented, otherwise it could become an unworkable situation where the arbitrator would simply take into account the formula and then make other decisions which may or may not be consistent with that formula.

So on that basis I am happy to have a very close look at the guidelines for the formula, but I would take the initial view in trying to describe what I think should happen that I would not want to give any kind of signal that there is an opportunity for some kind of arbitration which would deliver results significantly different from what the formula delivers.

Hon. BILL FORWOOD (Templestowe) — I thank the minister for the response, but I think we have now got ourselves into a real knot, because my understanding of the word 'arbitration' is that it means that a person makes a binding decision, taking into account the facts beforehand.

I note again that the government says it has accepted all the independent panel's key recommendations which were developed through extensive consultation, but we have a circumstance where you can either do local government rates as they currently are or you can have the default position of $40 000 plus $900 per megawatt or you can have a third, separate, different position as outlined in recommendation 6, which says that arbitration — that is, a binding decision made by an independent person — is to occur, taking into account both those two previous things plus other things as well, for example, the age of the plant. So in fact it seems to me that the way this should be read is that there are three possibilities. One is council rates; the second is the $40 000 plus $900 per megawatt; and the third is a binding arbitration decision made by a person by agreement according to the methodology plus the other recommendations.

I would ask that the Minister for Energy Industries and Resources take that into consideration when considering the guidelines. That, I think, is the intention of the act. If it is not that, we would not have an arbitration clause — you would either pay your council rates as assessed or you would take the $40 000 plus $900 a megawatt and go. There would not be any need for arbitration according to any methodology.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — The arbitration provisions are of course in the report, and what I am trying to say to Mr Forwood is that I have already recognised and understand the ambiguity the report seems to have at first reading.

If you look through the recommendations, the report seems to be saying on the one hand that there is this methodology and, on the other, that notwithstanding this payment value, generators and local government should be able to reach mutually acceptable agreements on whatever terms are acceptable to the parties. What I think that means, or what the panel I think was trying to say, is that the parties could still negotiate on trying to reach acceptable terms. That is what that says. And then it says that in the event that they cannot reach agreement, arbitration can occur and the arbitrator can look at a range of factors.

I do not want to have a circumstance of ambiguity in this, so I am happy to say that in the event that agreement on mutually acceptable terms cannot be reached, then I think the formula is the appropriate mechanism to resolve that incongruence.

Hon. P. R. HALL (Gippsland) — I just want to say in conclusion — I do not expect a response from the minister — that I am still uncomfortable about this arrangement. We are not sure what the final form of the order in council will be, so we are still left with some uncertainty as to the legislation we are passing tonight. That makes it even more important that the order in council be made available prior to its publication so that we as the legislators of this state have a further opportunity to have a look at it.

Hon. J. M. McQUILTEN (Ballarat) — My comments are not in relation to a question to the minister.

The CHAIR — Order! We are on clause 4.

Hon. J. M. McQUILTEN — However, I would like to make the comment that the resource we are talking about is owned statewide; it is not actually owned by a particular council. It is a statewide resource and I think its value will become more and more

apparent to all Victorians in the coming months. On the issue of council rates, et cetera, it is a much broader issue. I believe that is not that apparent at this point in time, but it will become more apparent over the next few months.

Hon. BILL FORWOOD (Templestowe) — I think we have reached an impasse in relation to this particular clause. I do not think it is now clear at all how this operates. I just make the point, like my colleague Mr Hall, that the second-reading speech states that it:

> … establishes a regime to enable electricity generators to negotiate, with local councils, payments in lieu of council rates.

Those are the two I talked about before. It goes on to say:

> If agreement cannot be reached, an arbitrator may determine the amount payable …

I think that gives the arbitrator rights and responsibilities that are separate from the other two. Therefore I ask: what is the process by which an arbitrator will be appointed; or will this be prescribed in the methodology — yet to be seen — to go to the Governor in Council?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — In response to the member's question, the process of appointing the arbitrator is a process which will be based on custom and practice in this area where arbitrators have been appointed in the past. The same kind of process will occur for arbitrators in the future. However, I want to make this point to the member. I know he is suggesting that there will be some kind of ambiguity, that the arbitrator may have powers which go beyond the capacity to do one of two things: determine either in accordance with the methodology, or in accordance with the methodology plus an agreed position between the parties. I am saying to the honourable member that, if he wants to put it in these terms, I am happy to bite the bullet on this and indicate to him that my understanding is the arbitrator would not be able to vary from the methodology outlined in the panel report but could use other factors in talking to the proponents in an attempt to get agreement from them in relation to some variance, particularly on such things as timing. He may be in a position, for example, to arbitrate, and I would not see it as inconsistent if he arbitrated for a three-year period. Where the parties could not agree, I think the arbitrator could reasonably make that as an arbitration because it would not be inconsistent with the $40 000 plus $900 per megawatt model.

Hon. BILL FORWOOD (Templestowe) — I thank the minister for his response. New subsection (6B) says:

> A power may only be exercised under new sub-section (6A) on the joint recommendation of the Minister and the Minister administering the Local Government Act 1989.

Can the minister advise the committee how far he has gone in his negotiations with the Minister for Local Government on developing the order in council?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I obviously have lots of discussions with the Minister for Local Government and I will continue to have those in the lead-up to the development of the guidelines.

Hon. P. R. HALL (Gippsland) — I wish to ask about another aspect of this clause. It relates to the reporting of outputs of power stations. I draw the minister's attention to panel recommendation 2 which sets the basis for the payment in lieu of rating agreement — that is, $40 000 plus $900 per megawatt of rated capacity. Panel recommendation 3 then provides discounts on the payment figure applying to generators operating at low capacity; in particular it offers a 50 per cent discount to generators operating at less than 10 per cent of capacity and a 25 per cent discount to generators operating at between 10 per cent and 20 per cent of capacity. I am not arguing about those discounts being given, but I want to know how the performance will be reported to local government for the purposes of striking a rate.

I draw the minister's attention to the table on page 27 of the panel report which says, for example, the gas station at Bairnsdale has a 25 per cent capacity factor. That is right on the border. I presume that is a power station that fires up on demand when electricity is required. In any one year it could be marginally above 25 per cent or it could be below 25 per cent. It could go down to below 20 per cent and therefore seek a discount. The same applies to some of the wind power stations. They have a capacity factor here of 35 per cent, but conceivably in any one year they could drop below 25 per cent. The same applies to some of the hydro stations. They have a 15 per cent factor at the moment, but they could vary within that interval in capacity where a discount is given. I want to know how the actual output will be conveyed to local government for the purpose of it being able to strike an accurate rate on the discounted returns offered in the panel recommendation.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I think this is a good

question from the member. It is an important consideration and I looked briefly at the debate in the lower house in relation to this issue. I make this point to Mr Hall: we do not want to have a very costly monitoring system which goes around and monitors individual power stations in terms of their output — that is, a government-run monitoring system. We are not going to do that. I see the system operating along the following lines: a wind facility might be operating at 35 per cent and it could conceivably drop to under 20 per cent, although I think it would be a very marginal wind facility if it did. At that point it would be up to the owners and operators of that wind facility to establish to the local council that that wind facility was operating at below 20 per cent and therefore it should get the discount. In the event that the council remained unsatisfied with the documentation and evidence provided by that wind facility, or hydro or gas turbine facility, where it was not satisfied with the explanation and the evidence provided, that would be one of the matters that would go to arbitration. That would be another role that the arbitrator would be able to play in looking at the evidence provided by the power station and determining whether it was reasonably based and that therefore it should get the lower payment.

Hon. P. R. HALL (Gippsland) — I can understand how that might work, but it does rely on the generator to actually convey the information to the local council, and I would not anticipate there would be any problem doing that if it were seeking to have a reduction in the rates being paid. If the alternative were the case, and if you look for example at the hydro power stations, which have a 15 per cent capacity factor, if in any one year their capacity factor increased to over 20 per cent, they would not get a discount and would be liable to pay a full rate. How can the minister give me an assurance that in the case where they would be liable to pay more rates, the generator would go to the council and say, 'We generated more, therefore we are required to pay you more rates'. The point I am making is that I do not think it would do that freely unless there was an exercise of some oversight of the whole system to ensure they willingly met their commitments in cases where they were liable to pay an increased rate.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I understand the point that Mr Hall is making, and I am pleased that the point was made that where a reduced amount was involved then obviously the power station would be quite keen to make the information available. I also understand the point Mr Hall is making in reverse, but I again point out that we do not want to have an overall monitoring system, which would be very costly, of going around to monitor these power stations, of which there may be quite a number around the state. Obviously it is open to a local council, where it is offering a discount and a particular power station is saying that it is based on 15 per cent operation, to seek information. I encourage councils when they want further information to simply seek the information from the particular facility prior to striking the rate. I think it is probably stretching things a bit far to suggest and highly unlikely — remember there are other forms of monitoring that take place ultimately in terms of financial requirements on the business and the monitoring that the National Electricity Market Management Company (Nemmco) does and so forth — that a facility involved would simply lie to the council if the council sought the information from them. I would expect the facility would give the council accurate information and if that information showed that it had gone from 15 per cent to 21 per cent then it would be liable for the extra rate.

Hon. P. R. HALL (Gippsland) — Is it possible that the information provided by the generator could be verified by an organisation like Nemmco if a council wished to have third-party verification of that information?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I do not want to go down the track of heavy regulation on this. Obviously if a dispute got to such a point, we would have to be talking about minutiae of power differentials. The council would say, 'It is 20.5 per cent' and the facility would say, 'No it is 19.5 per cent'. It would be in that kind of range and at that point that if the arbitrator was not satisfied as to the argument from one side or the other, obviously the arbitrator may be able to seek further information from a body such as Nemmco.

Hon. P. R. HALL (Gippsland) — There is one more issue I would like to ask the minister about. The terms of reference given to the panel did not require it to recommend a single methodology to apply to all different types of generators across the state. That was not part of the terms of reference. In its wisdom the panel decided to try to strike a uniform system across all power generators. I ask the minister whether the government considered having a two-tiered or even a three-tiered system of rating, given the fact that the minister himself made some differentiation between base-load generators and other generators in his concluding comments in the second-reading speech. Did the government consider having a two-tiered or even a three-tiered system; and if not, why not?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — Government considers a range of these sorts of issues, and when as a minister

you commission a report of this sort, you also seek to have some input yourself in putting some views to the panel. I certainly met with the panel members as they were going about in the lead-up to their initial report, in the lead-up to the draft report and in the lead-up to a later report. I considered at various points whether it was desirable to have a two-tiered system, as Mr Hall has described it, or even a three-tiered system. However, my concern was partly related to how you would have a system which allowed for the fact that if you only had the $900 per megawatt, for example, and you did not have flag fall, you would find that wind farms would pay very little because wind farms are generally much smaller facilities. A council would finish up getting a very small amount in rates under that kind of methodology. The panel in the end came up with a model where it compensated for that issue. In effect it built into the one model a two-tiered system. The way it did that was to have the flag fall, which simply means that smaller facilities proportionately on a per megawatt basis obviously pay a little bit more than the large facilities, where the $40 000 flag fall means very little.

Hon. BILL FORWOOD (Templestowe) — There are two final issues I wish to canvass with the minister. Clause 4(2) deals with the change in the definition of land used for generation functions and talks about a 'power station'. I think the difficulty with this clause is that you might have someone, for example, saying, 'We want to build a 30 megawatt power station. We are going to build 15 megawatts now and another 15 a bit further down the road in a year or two'. How would you decide what is a power station? How many lots of $40 000 get charged in these sorts of circumstances, particularly as one knows that these sorts of things are built over time and some get up and running before others do. What is the definition of a 'power station' when it comes to a wind farm?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — Again, this is a good question, Mr Forwood. It is one which I am sure will exercise my mind in the future, and it has done so already. Perhaps I should put it this way: I recognise that the Electricity Industry Act does not refer to a single turbine as being a power station, so we are talking about wind farms which comprise a number of turbines as being a power station. I will need to seek further guidance in relation to what is meant by power station for the purposes of determining payments under section 94. This will be provided in the order in council to be made under this section of the act. But obviously a power station will have to include a collection of wind turbines comprising a wind farm, or a number of generating units in the case of a hydro-power scheme. The exact way in which that will be identified is a challenge, I accept that. But I am sure that it is not outside our intellectual capability to come up with a formula which does not allow for, if you like, add-on turbines ad infinitum in a way which avoids the $40 000 flag fall.

Hon. BILL FORWOOD (Templestowe) — I thank the minister for his frank response. I make the point that from our side of the chamber we think it is unsatisfactory that we are passing legislation without actually knowing how it will work. I accept in absolute good faith the minister's comments about it, but I think this is a circumstance where there should have been more definition provided to the chamber about how this will actually work.

The final issue I wish to raise is one that I flagged with the minister previously. It goes to the issue of capital improved value of land. If I am a farmer and I own a piece of land and I build a $2 million shed, the capital improved value of my land goes up by $2 million and I am likely — indeed certain — to pay rates on that. If a person erects a $2 million wind tower on my land by a lease agreement, does the value of my land for my rating purposes go up by $2 million because the land now contains the $2 million tower that is on my land right next door to my $2 million shed?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — No, it does not. That is part of the beauty of this. It would not matter whether you built a wind facility or whether you built a gas-fired power station. To cite an example which I think has been used before, if you owned 20 hectares of land and you built a gas-fired power station on 2 hectares of that land, then the 2 hectares and the power station would be subject to rating under the formulas that have been identified. The other 18 hectares would then be subject to normal rates by the council.

Clause agreed to; clauses 5 and 6 agreed to.

Reported to house without amendment.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I move:

> That the report be now adopted.

In so doing I thank honourable members for what was a very useful debate during the committee process.

Motion agreed to.

Report adopted.

Third reading

The PRESIDENT — Order! The question is:

That the bill be now read a third time and that the bill do pass.

House divided on question:

Ayes, 36

Argondizzo, Ms	McQuilten, Mr
Atkinson, Mr	Madden, Mr
Brideson, Mr	Mikakos, Ms
Broad, Ms	Mitchell, Mr
Buckingham, Ms	Nguyen, Mr
Carbines, Ms	Olexander, Mr
Coote, Mrs	Pullen, Mr
Dalla-Riva, Mr (*Teller*)	Rich-Phillips, Mr
Darveniza, Ms	Romanes, Ms
Davis, Mr D. McL.	Scheffer, Mr
Davis, Mr P. R.	Smith, Mr
Eren, Mr	Somyurek, Mr (*Teller*)
Forwood, Mr	Stoney, Mr
Hilton, Mr	Strong, Mr
Jennings, Mr	Theophanous, Mr
Koch, Mr	Thomson, Ms
Lenders, Mr	Viney, Mr
Lovell, Ms	Vogels, Mr

Noes, 5

Baxter, Mr (*Teller*)	Hadden, Ms
Bishop, Mr (*Teller*)	Hall, Mr
Drum, Mr	

Question agreed to.

Read third time.

Remaining stages

Passed remaining stages.

ACCIDENT COMPENSATION (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Mr LENDERS (Minister for WorkCover and the TAC).

Business interrupted pursuant to sessional orders.

ADJOURNMENT

The PRESIDENT — Order! The question is:

That the house do now adjourn.

Arts: Graham Kennedy memorial

Hon. ANDREA COOTE (Monash) — In my capacity as shadow Minister for the Arts my matter is directed to the Minister for the Arts in the other place and concerns the recent very sad death of Graham Kennedy. Many people from the arts community have rung and contacted me about Graham Kennedy. They wanted to make certain that we did more than just put a notification in the paper but that we honoured a very fine Australian who contributed to our community in a very large way. It is important to understand his background. Graham Kennedy came from a very difficult background — a background of poverty and of being abandoned by his father. He was brought up in my electorate by his grandmother.

In looking around the chamber I think most members would remember that he hosted a show *In Melbourne Tonight* for a considerable period and became affiliated and associated with all we knew about entertainment on television. He gave a lot of pleasure to a lot of people. He had a quick wit and a fine intelligence and lightened up the lives of many millions of people over a significant time. He was the undisputed king of television from the 1950s to the 1970s. In fact in those early days of television Graham Kennedy was synonymous with television. I saw some film clips soon after he died and it is interesting to note the primitive nature of many of the props and supports in comparison to today, but it did not take away the flavour of the sheer humour and fun. He took every opportunity to ensure the audience engaged with him. He was a true performer. There was no airbrushing, re-runs or clipping out — what you saw was what you got. The tributes to him were absolutely numerous. I ask the minister whether the government will acknowledge Graham Kennedy in a more positive way and consider a memorial or an honorary award at perhaps the Comedy Festival or a comedy class at the Victorian College of the Arts in his honour or a statue in the arts precinct at Southbank. I ask the minister to consider these issues.

Commonwealth Games: financial reporting

Mr VINEY (Chelsea) — I raise a matter for the Minister for Commonwealth Games. The Commonwealth Games will be a major event for Victoria. I understand that it is one of the largest events Victoria has ever staged. It is an event that is the equivalent of holding the Australian Football League Grand Final, the Australian Formula One Grand Prix and the Spring Racing Carnival every day for almost two weeks. It is an event that will attract 4500 athletes, 1500 officials from 71 countries and every continent. It

is an event that will have 1 million spectators watching first hand with an expected worldwide television audience of about 1 billion. The event will cover 16 sports and 24 disciplines and is an event that is being coordinated through the minister's office by the Bracks government. It is pleasing there have been indications from the other side of the house there is bipartisan support for it.

It is an event that will deliver significant economic benefits to Victoria — an event where we can expect significant international and interstate visitors to Victoria and we know that Victoria has a proud record of hosting major sporting events and major events in the arts as well. What is particularly attractive about the Commonwealth Games is that a number of local communities are mentoring and hosting each of the 71 countries. I know my own area of Frankston is hosting Samoa. It is an event that is extremely important to Victoria and extremely important in delivering on the economic benefits that can be obtained out of the event. The action I am seeking is for the minister to ensure that the Auditor-General is given all the relevant information to allow full disclosure of the financial arrangements concerning the Commonwealth Games and the Melbourne 2006 Commonwealth Games Corporation at the earliest possible time. I am asking if the minister can advise me of the feasibility of doing that.

Kew Residential Services: traffic congestion

Hon. RICHARD DALLA-RIVA (East Yarra) — I wish to raise a matter for the Minister for Transport in another place which relates to an issue close to my electorate office, Kew Residential Services. On 3 June this year the Minister for Community Services announced that amongst other things 20 houses would be built for 100 residents for existing Kew cottage residents and the construction of 520 houses and apartments on the existing Kew Residential Services site. It has been brought to my attention by a variety of local residents that the increase in the number of proposed apartments and houses in the existing area will be an even more significant impost in terms of road use involving Denmark and Princess streets and the Willsmere Road offshoot that leads into Chandler Highway. Those residents who travel north or south during the morning or evening peaks would know that even today there are significant delays of potentially up to 30 or 45 minutes between the Kew Junction intersection and the Chandler Highway.

Mr Julian Keogh from Kew has agreed to be mentioned as a particular resident who has had concerns about it and has asked me to raise this matter in the house. He is concerned about the introduction of the proposed redevelopment outlined recently by the Minister for Community Services, particularly the impost that will have on existing and future road users coming from the Kew area and also the proposed development. This project will have a significant amount of traffic flow moving from Princess Street to the Chandler Highway and across Kew Junction to Denmark Street. Given that the government has announced the significant development of Kew Residential Services what action will the Minister for Transport take to ensure that there is a continuing flow of traffic in the morning and evening peak periods in relation to the current traffic congestion experienced on roads in this area?

Seniors: interstate concessions

Hon. KAYE DARVENIZA (Melbourne West) — I raise for the attention of the Minister for Aged Care, Mr Jennings, the availability of transport concessions for Seniors Card holders. I have to say that I am disappointed at the recent announcement by the federal government to withdraw its funding from state and territory governments for reciprocal transport concessions for all Seniors Card holders. Governments across the country, including the federal government, are encouraging seniors to keep moving, to stay involved and participate in community activities. In Victoria our Go for Your Life campaign very much includes our seniors.

An important aspect of continuing to be involved and participating in community life is the ability to get around and to travel. In Victoria we have been keen to see this flexibility available for our seniors, and in February this year the government extended concession travel from only being available on the Met to concession travel on V/Line passenger services being available for all concession card holders regardless of in which state or territory they reside.

I would like to see Seniors Card holders who are constituents in my electorate of Melbourne West, and all Victorian Seniors Card holders, to be able to travel interstate to visit friends or relatives, to attend a special event or simply to travel for a holiday. Travelling interstate and being eligible for concession travel past Victorian borders will give greater flexibility to those who have already made a significant contribution to our community.

The specific query I have for the minister is: what action is he or his department taking to ensure that negotiations with the federal government are continued and that the federal government is lobbied strongly to provide Seniors Card holders with the same transport

discount entitlements as pensioners and other Seniors Card holders across Australia?

Disability services: Moira

Hon. W. A. LOVELL (North Eastern) — My adjournment debate issue is for the attention of the Minister for Community Services in the other place regarding the severe shortage in my electorate of community residential unit facilities for both the disabled and those with acquired brain injuries, and particularly the shortage within the Shire of Moira local government area.

A survey conducted through Cobram Gateway services and NOVAS of Numurkah to assess the needs of local families with disabled members has identified significant demand for shared supported accommodation within the Moira shire. The survey identified that there is currently an urgent need for 38 shared supported accommodation places within the Moira shire. The survey also identified a requirement for an additional 12 places within the next 5 years and a further 19 places within 10 years, and on top of that a further 13 places beyond 10 years. In addition to that 20 places are needed to accommodate 16 special school students and 4 for those with acquired brain injury — that is a grand total of 86 places that will be needed.

Many of the parents caring for their disabled children are reaching an age where it is becoming increasingly difficult for them to manage, and they are also starting to be concerned about the long-term care of their disabled offspring after they can no longer provide that care. One mother who recently visited my office told me that she has had her daughter's name on a placement list for the past 20 years. Another family is providing home-based care for four adult male sons who all suffer from fragile X syndrome, which is a condition that causes a wide range of mental impairment.

There is a desperate need for shared supported accommodation in the Moira shire, and yet it was reported in the *Shepparton News* on 20 May that the government has no plans to provide any additional community residential units. The government rhetoric of moving away from community residential units to dealing with each case on an individual basis may sound good, but it is failing to address the real needs of the disabled within my electorate.

In addition to the shortage of community residential units there is also a severe crisis in respite care available to support these families. In recent times the respite facility in May Street, Numurkah, has been reduced from six beds to four, and I am told by parents that it is difficult to get a booking at May Street, and even when they do secure a booking they are not guaranteed that the booking will be honoured. This makes it extremely difficult for parents to plan any sort of mini break they may try to take.

I request that the minister commit to assisting these families by providing adequate funding for shared supported accommodation to ensure these disabled Victorians are able to live in appropriate facilities with the appropriate level of care provided.

Emergency services: Warrnambool helicopter

Hon. DAVID KOCH (Western) — My matter is for the Premier, and it concerns his government's failure to listen to the people of western Victoria, who are still calling for an emergency rescue helicopter service. As we all know, before the last state election this government promised an emergency rescue helicopter service would be established in western Victoria. After the community developed and presented a business case, as asked for by the Premier, the government simply walked away saying that the emergency rescue helicopter would not be used enough to make it operationally viable.

Then 18 months ago Woodside Energy announced that it would provide $61 million over 27 years to help fund an integrated multifunction emergency helicopter rescue service based in Warrnambool if the government contributed to the cost. This service would provide coverage throughout all of western Victoria. Even though all the procedures were put in place to accommodate an integrated service, the government refused to make a commitment and has still failed to formally respond to this generous offer.

The WestVic Helicopter Rescue Service Committee continues to lobby for the establishment of an emergency rescue helicopter service, as does the western Victorian community. This is a community issue, and the community is behind it. The community sees that a fast response emergency service will play an important role in reducing receival times and assessment of critical health care and will save lives. The government's inaction on this vital issue continues to infuriate the Country Women's Association. The CWA is fully behind the practical and viable emergency rescue service proposal. As reported in the *Warrnambool Standard* last week:

> Thousands of women across Victoria will lobby their local politicians to urge the Premier to fund an emergency helicopter for the south-west.

The newspaper went on to say:

> More than 1000 Country Women's Association members, representing hundreds of Victorian branches, voted unanimously to take up the issue on behalf of their south-west peers.

This was the result of a motion moved at the recent CWA 2005 state conference. We now expect a flood of support from CWA members from across the state who will persist in making this government listen. This membership has a goal to lobby the state government to change things for the betterment of the community and to improve health outcomes, especially in isolated rural communities.

I congratulate the CWA members for their support on this life-saving cause. My request is: will the Premier now act to save lives and listen to the pleas of the community for an emergency rescue helicopter service to be based in western Victoria?

Wilsons Promontory National Park: cabins

Hon. D. K. DRUM (North Western) — My adjournment matter is for the Minister for Environment. It has to do with Wilsons Promontory National Park and the accommodation that is available at Tidal River. At Tidal River 10 cabins are available to the general public and are only accessible through a general ballot. Two of the cabins have facilities that can accommodate people with disabilities.

One family from Bendigo has a 20-year-old son who is confined to an electric wheelchair and can only have a holiday at a cabin that has both electricity and facilities for the disabled. Tidal River is one of the few beaches in Victoria, if not the only one, which has sand that is hard enough to enable electric wheelchair access out to the water. It is a situation where the needs of families such as the Bendigo family can be accommodated. However, this family has missed out, because it must go into the general public ballot. While there are 10 cabins available, this is discriminatory, because only two of the cabins are available for the disabled. This family has to go into the general ballot and has missed out to able-bodied families who will use the cabins that have facilities for the disabled.

There are other issues I need to talk to the minister about in relation to this family's 20-year-old son, because he needs a constant companion to look after him as a carer, but when they go into one of the cabins for the disabled they have to pay the full tote odds for the carer, and that makes it difficult. Most other accommodation organisations let carers stay for free. My request to the minister is that he immediately step in and direct the accommodation managers at Tidal River to abolish this discrimination against families that can only use the two cabins that are suitable for disabled residents. The minister needs to introduce a new ballot system that will give the families of the disabled children an even and fair chance to gain the accommodation at the peak holiday season. We need a system that obviously lets the able-bodied clients compete against other able-bodied clients for cabins and also lets families that have disabled members compete with the other families with disabled members. This is a brilliant holiday situation that at the moment is being denied to some families.

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

Australian Football League: fixture

Hon. B. N. ATKINSON (Koonung) — I wish to raise a matter with the Minister for Sport and Recreation. I have to declare a vested interest on this occasion because I am a Melbourne Football Club supporter. The issue that I raise is nonetheless a serious one in the context of the programming of sport by the Australian Football League (AFL). I note that Melbourne Football Club will have a five-day break between its game yesterday against the Collingwood Football Club and the game it will play next against the West Coast Eagles Football Club. I note that on two previous occasions this year the Essendon Football Club and the Western Bulldogs club have also had similar circumstances — they have had five-day breaks between matches. The Melbourne Cricket Ground (MCG) is vacant next Sunday and would be available for the West Coast and Melbourne game were it to be held on that particular day. I notice that a newspaper report suggested the only reason Melbourne is playing West Coast on Saturday, with Melbourne having only a five-day break, is because of TV programming rights.

I request that the minister discuss with the Minister for WorkCover and the TAC and with the AFL the importance of, for the safety of the players involved, where it is possible allowing sufficient breaks between matches, particularly given that Australian Rules is a high-impact collision sport. I am not interested in the results of such games, although I would hope that Melbourne continues to fly the flag for Victoria against West Coast. I am more concerned about the occupational health and safety aspects of such a short break between games for players who are competing at this level given, as I have said, the high-impact physical contact nature of the sport and the circumstances involved in setting the fixture. I would have thought the

AFL would have an opportunity to provide better fixturing for clubs right across the season.

As I have said, I am certainly aware that on Sunday this coming weekend the MCG is vacant and it would have been possible to schedule that Melbourne and West Coast game then. I do not suggest that in the context of Melbourne alone, given the previous experience of Essendon and the Western Bulldogs, but I certainly think it is a legitimate occupational health and safety issue and one that the Minister for Sport and Recreation, the Minister for WorkCover and the TAC and the AFL might well address in the interests of the players and their safety.

Rail: Mildura service

Hon. B. W. BISHOP (North Western) — My adjournment matter tonight is directed to the Minister for Transport in the other place. I have been made aware of a survey that has been conducted in Mildura recently by a consulting firm employed by the Bracks government. Whilst I welcomed the government's interest, I thought, 'Here we go again paying out consultants' fees'. However, the real question is: what was the survey about? I understand the survey was carried out at the Mildura Airport. My constituents were interviewed early in June. They were asked questions such as those following. 'Are you flying to Melbourne today?' 'How often do you fly to Melbourne?' 'For what purpose are you flying to Melbourne?' 'Is it business, pleasure or are you visiting someone?' 'Are you likely to fly in the future, and if so, how often?' 'What do you earn?' 'How much was the fare?' 'If there was another mode of transport such as a passenger train, would you use it?' 'How much would you be prepared to pay for a return or a one-way trip?' 'What time would you like to arrive at Mildura or Melbourne or leave Mildura or Melbourne?' 'When would you most like to travel, day or night?' 'What is an unacceptable amount of time to make the one-way journey?'

The question my constituents asked me was why the Bracks government was doing this. 'What are they up to?', they said. They suspect, and I agree with them, that it is about the return — or the non-return — of the Mildura passenger train. They have been told by their local member that the passenger train will return. Some of them heard the Premier say during a cabinet visit to Mildura that the train would return in 2004. They are well aware that it is now halfway through 2005, so my constituents' questions are valid. They question whether this is a prelude to the train coming back or a prelude to the train not coming back. They are also aware that without an upgrade of the rail track we may not have a safe passenger service that runs on a reasonable schedule.

The survey — and the reasons for it — has not been announced by our open, transparent and accountable government. Why not? Perhaps it is a mechanism for breaking another election promise and not returning the passenger train to Mildura. On behalf of my constituents I invite the Minister for Transport in the other place to clarify the issue and give me a clear, unequivocal answer on whether the Mildura train will return, and if so, when.

Police: schools program

Ms HADDEN (Ballarat) — I raise a matter for the attention of the Minister for Police and Emergency Services in the other place, and it concerns the Bracks Labor government's intended closure of the important Police in Schools program. The aim of this very important program, especially in rural and regional Victoria, is to assist young people to develop skills that will improve their ability to make positive life choices and help them to understand their rights and responsibilities as young members of our community. It also aims to reduce the incidence of crime and to develop better relationships between youth and the police. The program is based on trust and familiarity, and this is facilitated through frequent visits by police school resource officers to the schools.

The school resource officer delivers the program in the school setting by attending camps, sporting events, classroom interactions, meeting with teachers, attending excursions and providing advice on a variety of issues. The program is crime prevention at the grassroots level. It engenders a positive attitude towards the police, the law, the rights and responsibilities of young people in the community and the need to act lawfully. This is impressed on children and young people in a thoughtful and caring way.

A number of representations have been made to me as well as to other members of Parliament throughout this place. Hundreds of principals and schoolchildren have written to MPs to protest against the dumping of the Police in Schools program. In fact a grassroots backlash campaign has been mounted by outraged schools, and it is the biggest they have seen. I was very impressed by a letter to the editor of the *Ballarat Courier* published on 23 May. It was written by the grade 5 and 6 students of Caledonian Primary School in Ballarat. They extol the virtues of this very important and popular program at their school. They say in their letter, 'It has certainly helped us to develop a good relationship with the police force'. They sought support in asking the government

not to close down the Police in Schools program as it is of great benefit to them and other Victorian schools and towns.

I therefore ask the minister to consider continuing this program, as it is of inestimable benefit to young people in schools, especially in the Ballarat district.

The PRESIDENT — Order! With respect to the last two adjournment matters — the first being that raised by the Honourable Barry Bishop — I draw members' attention to the guidelines I outlined to the house in October 2003. In particular I draw Mr Bishop's attention to the point indicating that adjournment items asking questions phrased similarly to questions without notice are inadmissible. Mr Bishop's concluding remarks put a question, and I ask the honourable member to rephrase his remarks and seek specific action.

The same guidelines apply to the adjournment matter raised by Ms Hadden. In the guidelines I said that the matter raised by a member must be specific and not general in nature and must seek specific action. It is not in order to ask a minister merely to continue to take particular action or to consider something. I will give Ms Hadden an opportunity to rephrase her question and seek specific action or I will have to rule her adjournment matter out of order.

Rail: Mildura service

Hon. B. W. BISHOP (North Western) — I think I understand what your concern is, President. I ask the minister to supply to me, on behalf of my constituents, a written answer on whether the passenger train to Mildura will return, and if so, when.

The PRESIDENT — Order! We are still struggling with that, Mr Bishop. If the honourable member asks a question about what action the minister will take to ensure that the Mildura train is re-established or something along those lines, that might be of help.

Hon. B. W. BISHOP — Thank you, President. The particular action I wish the minister to take is to give me a clear, written, unequivocal answer on whether the Mildura passenger train will return, and if so, when?

The PRESIDENT — Order! Could the honourable member rephrase his adjournment matter along the lines of asking the minister what action he will take to ensure that the Mildura train is re-established?

Hon. B. W. BISHOP — The action I seek from the minister is for him to inform me when the Mildura — —

The PRESIDENT — Order! What action — —

Hon. B. W. BISHOP — Pardon me, President, I just said 'action'. Is that true or not?

The PRESIDENT — Order! I did not hear it.

Hon. B. W. BISHOP — I ask: what action will the minister take to inform my constituents when the Mildura passenger train will return?

Police: schools program

Ms HADDEN (Ballarat) — I think I understand; it is a bit of a play on words. I ask the minister to take action to continue the Police in Schools program which is of inestimable benefit to young people in schools in the Ballarat region — —

Hon. B. N. Atkinson — Maintain or reinstate!

The PRESIDENT — Order! Thank you, Mr Atkinson.

Ms HADDEN — I ask the minister to take action to both reinstate and maintain the Police in Schools program, which is of inestimable benefit to young people in schools in the Ballarat region.

The PRESIDENT — Order! I think that just scrapes through.

Responses

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Thank you very much, President. I am glad to get to my feet at this time of night!

Mrs Coote raised the matter of the death of Graham Kennedy and the way in which he might be remembered publicly in a memorial or some other form, and I will refer that to the Minister for the Arts in the other place.

Mr Viney raised the issue of the Commonwealth Games and the Auditor-General. I am happy to answer that question in some detail, particularly because of the member's interest in the subject. It seems that the opposition is confused or is deliberately creating mischief by causing confusion in relation to financial reporting for the Commonwealth Games in 2006. As the responsible minister I feel it is important that there is no doubt that the Bracks government will provide all relevant financial information to the Victorian people and, of course, to the Auditor-General. The opposition seems either confused or unaware that indeed two financial reports will be completed post the Commonwealth Games. These are the special purpose

report prepared by the Department for Victorian Communities through the Office of Commonwealth Games Coordination, and the Melbourne 2006 Commonwealth Games Corporation annual report of operations and financial statement.

I can advise honourable members that under the Financial Management Act the Department for Victorian Communities does not require the permission of the Auditor-General to determine the appropriate date for presentation of the special purpose report. As I indicated in my answers to questions raised earlier, the ongoing discussions between my department and the Auditor-General's office have canvassed this issue and the suggestion has been made that a date be identified to allow for full financial disclosure of all costs, some of which may carry over into the 2006–07 financial year. In respect of the Melbourne 2006 Commonwealth Games Corporation annual report of operations and financial statement, I can advise honourable members that as a statutory authority it will comply with part 7 of the Financial Management Act 1994 and write to the responsible minister, the Minister for Commonwealth Games, to seek an extension under section 6 of the act to extend its financial reporting period.

Hon. B. N. Atkinson — On a point of order, President, I seek your guidance about whether the minister is fortuitously reading his notes in anticipation of a question that happened to arrive in the adjournment debate tonight, or whether he is simply referring to copious notes. I suggest to you that he is reading.

The PRESIDENT — Order! If the member looks at the guidelines that I have already discussed this evening about questions, I said that replies to matters raised on the adjournment are a matter for the minister in responding to the debate. The minister has chosen to answer the matter that was raised by Mr Viney and he is entitled to do so.

Hon. J. M. MADDEN — I am referring to my copious notes. I can advise that the chairman of Melbourne 2006 and I have spoken on this matter this evening. Like the government, he is seeking to ensure that full disclosure of the financial arrangements concerning the Commonwealth Games and Melbourne 2006 Commonwealth Games Corporation takes place at the earliest possible time. I have therefore agreed that Melbourne 2006 will endeavour to finalise financial reporting as close to 30 June as practically possible. I have therefore asked the chairman to amend the Melbourne 2006 Commonwealth Games Corporation extension of time request in order to take into account the potential to achieve a reporting date earlier than 30 September 2006. I take this opportunity to assure the chamber that this is absolutely consistent with my comments to the Public Accounts and Estimates Committee. As I said earlier, the opposition is creating mischief and is causing unnecessary confusion by misinterpreting my comments.

Mr Dalla-Riva asked a question in relation to the number of houses proposed for Kew Residential Services, and I will refer it to the Minister for Transport in the other place.

Ms Darveniza raised the matter of concessions for Seniors Card holders, and I will refer that to the Minister for Aged Care.

Ms Lovell raised the matter of acquired brain injury and residential accommodation services in the Moira shire, and I will refer that to the Minister for Community Services in the other place.

Mr Koch raised the matter of emergency rescue helicopter services in western Victoria, and I will refer that to the Premier.

Mr Drum raised the matter of the Wilsons Promontory National Park and Tidal River accommodation for those with a disability and the balloting methods used, and I will refer that to the Minister for Environment in the other place.

Mr Atkinson raised the issue of the Melbourne Football Club's five-day break — —

Hon. B. N. Atkinson — All football clubs!

Hon. J. M. MADDEN — And the other teams who suffer from a five-day break as well, and the vacancy of the Melbourne Cricket Ground next Sunday, given that he has paid such close scrutiny to the fixtures and suspects that it relates to television programming. He is concerned about the WorkCover issues relating to that. If I draw upon experiences in my former life, I understand that while he has raised the matter for the Minister for WorkCover and the TAC, the Workers Compensation Act, which falls under WorkCover, exempts sports people from that act. It also exempts jockeys from the exemption, so jockeys fall into that category, but professional footballers and other sportspeople do not. I will undertake to make representations to the AFL Players Association at the first available opportunity, and to my former colleague, Brendan Gale, and I am happy to raise this matter also with Andrew Demetriou in any meetings that we may have over the next period of time.

Mr Bishop raised a matter regarding a survey relating to train travel in the Mildura area, and I will refer that to the Minister for Transport in the other place.

Ms Hadden raised the matter of the Police in Schools program, and I will refer that to the Minister for Police and Emergency Services in the other place.

Hon. Richard Dalla-Riva — On a point of order, President, while we are on the adjournment debate I raise the issue that I am in the third year of my role as a member of Parliament and over that period I have noticed continuing confusion among members as to the procedure for raising adjournment matters. I refer to the to R4.02 of the rules of practice and your very clear guidelines on the way members should provide information to ministers. I also note that in relation to motions to take note of reports, general business notices of motion and statements on reports and papers that there are clear guidelines provided to members on how they should phrase their issues.

Given that we go through this in the adjournment debate on a daily basis and the fact that despite your rulings on the matter there is still confusion after three years, I wonder if it is appropriate with the agreement of the house that you, President, and the clerks draw up a pro forma that would allow members to stay within the requirements of R4.02 so that we do not have the continual confusion we have among members on both sides of the chamber that continues to waste the time of this house.

The PRESIDENT — Order! That was more in the form of a request than a point of order. I appreciate the comments raised by the honourable member. I think what prompted the guidelines in the first place was that exact issue. I thought the guidelines were relatively clear and set out how adjournment matters ought to be raised, even under a heading of the technique for raising matters, as is set out there. I am happy with the ruling I gave back in October 2003. Whether it is a matter that the Standing Orders Committee wishes to raise will be established in due course following the motion that was passed in the house in the previous sitting week.

House adjourned 10.46 p.m.