

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

**LEGISLATIVE COUNCIL
FIFTY-SIXTH PARLIAMENT
FIRST SESSION**

Thursday, 21 December 2006

(Extract from book 1)

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By authority of the Victorian Government Printer

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Professor DAVID de KRETZER, AC

The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

The ministry

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Minister for Health	The Hon. B. J. Pike, MP
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Minister for Housing and Minister for Local Government	The Hon. R. W. Wynne, MP
Cabinet Secretary	Mr A. G. Robinson, MP

Joint committees

Scrutiny of Acts and Regulations Committee — (*Council*): Mr Dalla-Riva, Mr Eideh, Mr Elasmar and Ms Pulford.
(*Assembly*): Mr Brooks, Mr Carli, Mr Jasper, Mr McIntosh and Mr Thompson.

Heads of parliamentary departments

Assembly — Clerk of the Parliaments and Clerk of the Legislative Assembly: Mr R. W. Purdey
Council — Clerk of the Legislative Council: Mr W. R. Tunnecliffe
Parliamentary Services — Secretary: Dr S. O'Kane

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FIFTY-SIXTH PARLIAMENT — FIRST SESSION

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Mr GAVIN JENNINGS

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Mr PHILIP DAVIS

Deputy Leader of the Opposition:

Mrs ANDREA COOTE

Leader of The Nationals:

Mr PETER HALL

Deputy Leader of The Nationals:

Mr DAMIAN DRUM

Member	Region	Party	Member	Region	Party
Atkinson, Mr Bruce Norman	Eastern Metropolitan	LP	Lenders, Mr John	Southern Metropolitan	ALP
Barber, Mr Gregory John	Northern Metropolitan	Greens	Lovell, Ms Wendy Ann	Northern Victoria	LP
Broad, Ms Candy Celeste	Northern Victoria	ALP	Madden, Hon. Justin Mark	Western Metropolitan	ALP
Coote, Mrs Andrea	Southern Metropolitan	LP	Mikakos, Ms Jenny	Northern Metropolitan	ALP
Dalla-Riva, Mr Richard Alex Gordon	Eastern Metropolitan	LP	O'Donohue, Mr Edward John	Eastern Victoria	LP
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Davis, Mr David McLean	Southern Metropolitan	LP	Pennicuik, Ms Susan Margaret	Southern Metropolitan	Greens
Davis, Mr Philip Rivers	Eastern Victoria	LP	Petrovich, Mrs Donna-Lee	Northern Victoria	LP
Drum, Mr Damian Kevin	Northern Victoria	Nats	Peulich, Mrs Inga	South Eastern Metropolitan	LP
Eideh, Khalil M.	Western Metropolitan	ALP	Pulford, Ms Jaala Lee	Western Victoria	ALP
Elasmar, Mr Nazih	Northern Metropolitan	ALP	Rich-Phillips, Mr Gordon Kenneth	South Eastern Metropolitan	LP
Finn, Mr Bernard Thomas C.	Western Metropolitan	LP	Scheffer, Mr Johan Emiel	Eastern Victoria	ALP
Guy, Mr Matthew Jason	Northern Metropolitan	LP	Smith, Hon. Robert Frederick	South Eastern Metropolitan	ALP
Hall, Mr Peter Ronald	Eastern Victoria	Nats	Somyurek, Mr Adem	South Eastern Metropolitan	ALP
Hartland, Ms Colleen Mildred	Western Metropolitan	Greens	Tee, Mr Brian Lennox	Eastern Metropolitan	ALP
Jennings, Mr Gavin Wayne	South Eastern Metropolitan	ALP	Theophanous, Hon. Theo Charles	Northern Metropolitan	ALP
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Kronberg, Mrs Janice Susan	Eastern Metropolitan	LP	Viney, Mr Matthew Shaw	Eastern Victoria	ALP
Leane, Mr Shaun Leo	Eastern Metropolitan	ALP	Vogels, Mr John Adrian	Western Victoria	LP

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Thursday, 21 December 2006

The PRESIDENT (Hon. R. F. Smith) took the chair at 9.34 a.m. and read the prayer.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 1

Mr EIDEH (Western Metropolitan) presented *Alert Digest No. 1 of 2006*.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Grampians Wimmera Mallee Water Authority — Report, 2005–06 (two papers).

Mildura Cemetery Trust —

Minister's report of failure to submit report for 2005–06 to the Minister within the prescribed period and the reasons therefor.

Minister's report of receipt of 2005–06 report.

Radiation Advisory Committee — Report for the year ended 30 September 2006.

BUSINESS OF THE HOUSE

Adjournment

Mr LENDERS (Minister for Education) — I move:

That the Council, at its rising, adjourn until Tuesday, 13 February 2007.

Motion agreed to.

MEMBERS STATEMENTS

Melbourne Airport: international flights

Mr D. DAVIS (Southern Metropolitan) — My contribution today deals with the issue of flights in to and out of Victoria, and in particular the need to ensure there are a greater number of international flights coming into Victoria. Melbourne Airport is a critical asset for Victoria, not just for tourism but for business travel and the movement of freight. It is clear that

without Melbourne Airport being able to compete internationally and being able to bring in extra flights the Victorian economy will not achieve what it should achieve.

It is critical that over the next period the policy that restricts flights into Melbourne be liberalised and there be an open skies policy for Victorian airways that enables international carriers to fly into Melbourne, particularly those which come from a variety of places and which have significant numbers of inbound tourists and inbound business passengers.

It is very important for the Victorian economy that we are able to compete in this way. Qantas, Australia's national carrier, is an important airline for Australia but it is a Sydney-based airline with a set of interests that are not the same as Victoria's on many occasions. We need to ensure that Victoria is prime in these decisions and that we have open skies.

Rail: Bendigo line

Mr DRUM (Northern Victoria) — Two weeks ago I had the opportunity of sitting in the control room of Pacific National V/Line at Bendigo from where all the trains on the new fast rail project line are controlled. On that day the Minister for Public Transport was coming to Bendigo but she got stuck in Kyneton for about 1½ hours before a bus was sent to pick up the minister.

The computers went down during the day, and in effect the whole system ground to a halt. When they finally got things going at about 4 o'clock in the afternoon — which was the exact time I rocked up to see how the system works — what I saw was a system that has been absolutely bastardised by the government in that the single line from Kyneton to Bendigo region has been ripped up.

What used to be a dual carriageway enabling trains to pass each other whenever they wanted is now a system of three passing loops, and whenever a train does not quite run on time it misses its opportunity to pass the oncoming train in one of the passing loops, and therefore trains get stuck in any one of a number of stations along the way. Every time any train gets stuck for any reason, all of a sudden the whole system gets thrown out of whack.

My office is being inundated with complaints from rail users, and the government needs to have a serious look at what it has done with the fast rail project.

Members: inaugural speeches

Ms MIKAKOS (Northern Metropolitan) — I take this opportunity to congratulate all new and returning members on their election and re-election, and I especially congratulate the new members on their excellent inaugural speeches, which were an indication of the tremendous diversity of background and experience that people bring to this house. They are sure to add so much to our democracy. What came through in those speeches was the strong conviction on all sides that members would work in the best interests of the Victorian people even if they disagree on how those best interests can be achieved.

Human rights and responsibilities charter: implementation

Ms MIKAKOS — Elections remind us of how lucky we are to live in a democracy, which is why I am very much looking forward to 1 January next year when the charter of human rights and responsibilities comes into operation. That will be a very significant achievement for this state. It will offer Victorians greater protection of their basic human rights, and I look forward to the charter's full implementation in 2008.

Christmas felicitations

Ms MIKAKOS — I wish members a happy Christmas with their families and an opportunity for a post-election recovery. I also wish our bushfire volunteers and workers in regional Victoria around the state all the best and I hope that they also have an opportunity to spend Christmas with their families and remain safe during the summer period.

Buses: Doncaster–Melbourne service

Mrs KRONBERG (Eastern Metropolitan) — I rise to draw attention to the fact that the people of Bulleen, Doncaster, Donvale, Templestowe and Warrandyte are very dissatisfied with the state of public transport serving their area.

Too much reliance and emphasis has been placed on the system of buses that allows people to commute from the area into the central business district of Melbourne. That is not enough. The rail land reserve was sold off by the Cain government, which means commuters have no opportunity to use public transport beyond the Eastern Freeway. They have been denied a rapid access, and far too much emphasis has been placed on a park-and-ride facility, which, like the Labor

government's spin, has amounted to just froth and bubble.

If you have to commute into the central business district by catching the route 307 service to Queen Street, then want to catch the 5.45 p.m. service on the 307 route home from Queen Street to that park-and-ride facility, it will take you 45 minutes to get out of the central business district. By then, all the people who are served by a rail transport system will have arrived home and be sitting with their dinner on the table while the people on buses on the 307 route will be stranded in Lonsdale Street. This situation has to cease.

Fires: telephone alerting system

Ms HARTLAND (Western Metropolitan) — On behalf of myself and the Greens I wish to thank all the firefighters who are currently fighting the bushfires.

One of the tools being used to keep local communities in touch with what is happening is the telephone alerting system. Many people in the chamber would not be aware that this telephone alerting service was actually piloted in Footscray to alert people about chemical fires. It has obviously been highly successful in Footscray and in bushfire situations. Unfortunately it is not going to be re-funded in Footscray because the government does not want people to be aware of how close many of our homes are to major hazardous facilities. I hope in the future the government changes its mind and continues to fund this vital program for Footscray.

Australian Labor Party: election result

Ms TIERNEY (Western Victoria) — I take this opportunity to congratulate members of this house on their election and in particular the ALP members and members in the other place who have areas within the western region. The members for Melton, Lara, South Barwon, Ripon, Ballarat West, Ballarat East, Geelong and Bellarine in the other place, Don Nardella, John Eren, Michael Crutchfield, Joe Helper, Karen Overington, Geoff Howard, Ian Trezise and Lisa Neville, all ran effective campaigns supported by committed campaign teams. I particularly wish to congratulate Lisa Neville on her appointment to the ministry; it is an elevation well deserved. Lisa has been a tireless worker for her constituents and the wider area of Geelong. I am very much looking forward to working with Lisa and all the other members in the western region. I also heartily congratulate Joe Helper on his elevation to the office of Minister for Agriculture.

I also take this opportunity to mention and give thanks to those very important people who stood as candidates in non-held ALP seats in the other place. It is extremely difficult to run and win in areas that traditionally have not been ALP. Lowan, South-West Coast and Polwarth are significant geographic areas. The amount of travel, the cost of that travel and the time spent away from family are substantial and more than in any other area.

The amount of energy that the candidates, their families and supporters put into these areas was unbelievable. Roy Reekie, Paul Battistia and Darren Cheeseman need to be commended for conducting very serious campaigns which raised not only the profile of the Labor Party but also created debate. All three candidates engaged with the community, and in Lowan the ALP outvoted the Liberal Party. The debate is evident by the letters to the editor in many local newspapers. The debates published in the Warrnambool *Standard* and the *Hamilton Spectator* —

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

Eastern Victoria Region: election result

Mr O'DONOHUE (Eastern Victoria) — I take this opportunity to thank the members of the Liberal Party's eastern Victoria electorate council, in particular its chairman, Dr Cleo Sahhar, and the executive for their support and assistance during my time as a candidate. I would like to thank the other candidates in the Liberal Party's Eastern Victoria Region team, Susie Manson, Sarah Meredith and Daniel Hyland, for their hard work and to express my disappointment that they too are not members of this chamber. I congratulate the new Liberal members of the other place whose seats are within Eastern Victoria Region — the members for Evelyn, Narracan, Hastings and Mornington, Ms Christine Fyffe and Messrs Gary Blackwood, Neale Burgess and David Morris — together with the returned members for Nepean and Bass, Messrs Martin Dixon and Ken Smith.

I share the disappointment of the other Liberal candidates in the Eastern Victoria Region who were not successful in their campaigns and I congratulate them for their hard work, in particular, Mr Simon Wildes in Gembrook, Mr Peter Bommer in Gippsland East, Mr Clive Larkman in Monbulk, Mr Stephen Parker in Morwell and Mr Simon Wilson in Gippsland South. What this result tells me is that the Labor Party does not understand the issues that affect eastern Victoria, particularly issues such as forest management, infrastructure, development and water. On the issue of water the people of eastern Victoria and particularly the

people in Gippsland have rejected the government's central region sustainable water strategy and its concept of sending water from Gippsland to Geelong and other parts of Victoria.

Eastern Victoria Region: election result

Mr SCHEFFER (Eastern Victoria) — Last month's re-election of the Bracks government for a third term is a remarkable achievement won through the hard work of many people from all walks of life who believe in Labor. Since the election I have received many messages congratulating the Labor Party and me, and it is important to publicly acknowledge those messages and thank everyone who put energy into maximising the Labor vote.

Unfortunately in Eastern Victoria Region the former member for Evelyn in the other place, Heather McTaggart, the former member for Narracan in the other place, Ian Maxfield, the former member for Morwell in the other place, Brendan Jenkins, and the former member for Hastings in the other place, Rosy Buchanan, lost their seats. While the will of the voters is unreservedly accepted, I place on the record that these were fine members of the Victorian Parliament whose contributions will be sorely missed.

I congratulate the member for Gembrook in the other place, Tammy Lobato, and the member for Monbulk in the other place, James Merlino, on their re-election. Many of the lower house seats in Eastern Victoria Region were held on very narrow margins, and Labor remains committed to working hard for the people in these communities to again win their support in 2010.

I give a very special acknowledgment to the work of the following candidates who ran for election to the other place: Zac Smith was our youngest candidate and ran for the seat of Gippsland East; Steve Boyce in Gippsland South; John Anderson in Bass; Anne Marshall in Nepean; and Bill Puls in Mornington. Gregg Cook, Ann Dettrick and of course Glenyys Romanes, the former Deputy President of this house, were all candidates for the Eastern Victoria Region. These ALP candidates were strongly supported by dedicated campaign teams and ALP supporters who came from far and wide on election day to ensure that voting centres were staffed. I commend the efforts of everyone who worked for Labor in the Eastern Victoria Region campaign.

Wheelers Hill Primary School: toilet block

Mr ATKINSON (Eastern Metropolitan) — I wish to raise the difficulty that Wheelers Hill Primary School

has in respect of some renovations at the school that affect its toilet block. The government has allocated \$74 260 through the Department of Education for the repair of those toilets, but they contain asbestos, as do many schools that are about the age of this school. The asbestos removal will cost at least \$20 000 of the project sum and leave the school with a massive shortfall given the works that are needed to be done and the funding that has been provided by the government.

Obviously this is a totally unacceptable situation. Clearly there are many schools where toilet blocks are inadequate, and I am advised that in the case of this school the replacement of a single toilet block is around \$60 000. With the \$20 000 for the asbestos removal we are talking about \$80 000. There are two toilet blocks to do, which total \$160 000, but the school has been provided with just \$74 000.

Mr Rich-Phillips — That is a lot of lamington drives!

Mr ATKINSON — It is indeed a lot of lamington drives. It is a considerable impost on the parents who have to raise funds which they would expect would go to books, musical instruments, art materials and other aspects of school life, but instead are being used to subsidise works at schools that the government ought to be paying for. I urge the minister to look at this school and up the budget.

Shane Warne

Mr PAKULA (Western Metropolitan) — When I left the house last night and turned on the radio it became apparent that something momentous was happening. It appears from this morning's papers that Shane Warne is retiring!

Mr D. Davis — Did you get a short message service message?

Mr PAKULA — I would love it if he text messaged me! For 15 years I sat glued to the TV, like millions of other Australians, to watch the test cricket and see this guy bowl. I watched it fizz to leg and break to off, catch the outside edge or go through the gate to clean bowl batsmen. He bamboozled them on the way to 699 wickets, and he mesmerised the fans. He may not have been perfect in his off-field life, but who of us is without sin, other than Mr Finn perhaps!

Nobody here is old enough to have seen Don Bradman play, so Shane Warne is simply the greatest cricketer any of us has ever seen — and he is a Victorian.

Minister for Industry and State Development: performance

Mr RICH-PHILLIPS (South Eastern Metropolitan) — In the first half of this decade the commonwealth government entered into free trade agreements with the United States, Singapore and Thailand. These agreements are not secret! After pushing the Department of Innovation, Industry and Regional Development for the last 18 months finally we have had details of agreements published on the department's web site to assist Victorian exporters. It was therefore a display of breathtaking ignorance or incompetence when the Minister for Industry and State Development claimed in question time yesterday that Australia was negotiating a free trade agreement with Thailand given that such an agreement has in fact been in place for almost two years!

In responding to a question from Mr Dalla-Riva the minister appeared oblivious to the fact that, according to Australian Bureau of Statistics data, employment in manufacturing in Victoria has declined by 22 000 while at the same time rising in other states.

The minister then displayed further ignorance of his portfolio by talking about non-existent free trade agreement negotiations. It is clear this minister does not have the slightest idea of what is happening in his portfolio. How can he assist Victorian manufacturers and exporters when he does not even know about the existing free trade agreements? The information the minister gave to the chamber yesterday was simply wrong. The Leader of the Government set the example for his ministers by making a personal explanation to correct an error of fact in an answer he gave to a question in question time yesterday. I call on the Minister for Industry and State Development to do the same.

Mr D. Davis — He is a goose!

The PRESIDENT — Order! Mr Davis's reference to ministers or anyone else in this chamber as a goose is intolerable, and I ask him to withdraw.

Mr D. Davis — I withdraw.

Legislative Assembly: former members

Ms PULFORD (Western Victoria) — I would like to pay tribute to three fine people that I consider to be friends. Peter Lockwood, Rosy Buchanan and Heather McTaggart were all elected as members in the other place in 2002 but regrettably not returned.

Prior to entering politics Peter was an information technology specialist and a councillor for the City of Knox. While here Peter worked effectively and passionately for his electorate as the member for Bayswater. I would like to wish Peter and his family well in the future.

Rosy Buchanan was the member for Hastings. A long-time community activist, Rosy was in her element in politics. An incredibly positive person, Rosy worked hard as an MP and mother.

Heather McTaggart was the member for Evelyn. She was a mother of three young children when she was elected in 2002, and her campaign was nothing short of a stunning success. Heather always could be and can still be relied upon to tell it absolutely how it is. All three will be sorely missed by all their Labor colleagues. I am sure they will continue to work tirelessly in the Labor tradition — incrementally improving the lives of those they encounter — because that is what they are like. I regret that we will not serve in this place together, but I know we will continue to work together on important causes and continue to be friends.

Bushfires: volunteers

Ms LOVELL (Northern Victoria) — I want to extend my heartfelt thanks to the many hundreds of volunteers who have given their time and risked their lives to assist bushfire-affected communities in north-east Victoria and Gippsland. I have been to the affected areas and attended some of the community meetings, and I have witnessed first hand the wonderful job being done by the Country Fire Authority, the Red Cross, the Country Women's Association, the State Emergency Service and many other volunteers.

I would like to thank particularly the New Zealand firefighters. I was on hand at the Department of Sustainability and Environment office in Benalla on 8 December to welcome them to Australia, and I was devastated to hear that several of them had been injured, one critically.

I would also like to acknowledge the tremendous job that regional ABC radio has been doing in keeping communities informed. The ABC broadcasts regular bushfire updates and warnings to communities, informing them when to action their bushfire plans, when to vacate, what roads are closed and any other available information.

My heart goes out to all Victorians whose homes and livelihoods will be threatened by fire this summer, and I pray there will be no further loss of life or property.

Bushfires: volunteers

Ms DARVENIZA (Northern Victoria) — I would also like to take this opportunity to praise the fantastic work that is being done by those who are fighting bushfires in the north-east and in Gippsland. Along with Ms Lovell I particularly want to acknowledge the work of the volunteer firefighters and to acknowledge their outstanding contribution. I would also like to thank the many employers who have released members of their work force to go out and participate on the front line fighting our fires and supporting our firefighters. I urge them to continue to allow volunteer firefighters to be released from work so they are able to continue this important and valuable work.

I was speaking earlier this morning to Laurie Blampied, the manager of Mount Buller. I know that is just one area that is under attack. Like many other people who are protecting their properties, they are waiting and bracing themselves for the front to come through. My heart goes out to them. I congratulate them all on the fantastic effort they are putting in to protect their properties and to support our community and our many forests. I hope they have time to enjoy Christmas. I wish them all the best.

Northern Victoria Region: election result

Mrs PETROVICH (Northern Victoria) — I would like to take this opportunity to congratulate my Liberal colleagues and other members of this house on their election to this place. I would particularly like to thank Ms Lovell, my colleague and great friend, who has worked tirelessly alongside me in Northern Victoria Region. It can only bode well for the Northern Victoria Region community that we have such a strong working relationship and are prepared to look after the region so well.

I would also like to thank the other Liberal candidates on the Northern Victoria Region ticket: John Lithgow, Zie Devereux and Michael Gillies Smith. They worked extraordinarily hard for the Liberal Party and represented us finely. I thank the many hundreds of Liberal Party branch volunteers who manned polling booths and pre-polling and listening posts, and who spent many hundreds of hours folding letters and working alongside candidates right across the state, particularly in Northern Victoria Region. I also thank our women's section members, who not only offered great support with little notes and phone calls to

candidates but are great fundraisers for the party and strong advocates for what good, working women in the community should be. They are too numerous to mention but I would like to perhaps name just a few — —

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

Mrs PETROVICH — Really?

The PRESIDENT — Order! Yes, really.

STATEMENTS ON REPORTS AND PAPERS

Environment and Natural Resources Committee: production and/or use of biofuels in Victoria

Mrs COOTE (Southern Metropolitan) — I wish to speak today on the Environment and Natural Resources Committee's report of its inquiry into the production and/or use of biofuels in Victoria. This is an excellent report, albeit very short. We were given about six weeks to report on what is a huge issue for this state. In fact it is a huge issue for Victoria and Australia at large and is something the world is grappling with. To be given such a short time frame was a disgrace. It was a bad use of the facilities of the committee itself. However, the staff — Dr Vaughn Koops, Derek Benjamin and Vanessa Thomas — did an excellent job in the short time they were given. I would like to put on the record my praise for the work they did in a professional manner, because they did an excellent job.

Biofuels is an enormous area. We need to have a much closer and more in-depth look at it. Committees in this place are set up so we can bring useful work to this chamber for proper debate. With the new configuration of this chamber and the inclusion of the minor parties, I hope and believe our committee process will be sharper. We will not have these reports rushed through, as we have had. We will have an opportunity to look in depth at issues of interest and importance to this state.

One of the first recommendations in the report is that a joint committee be established to look into further areas of biofuels and present an in-depth report to this Parliament. I believe the government should do that as a matter of urgency so that we can give proper and due consideration to something that is so important.

The committee made five recommendations. As I said, the first is that a joint investigatory committee be established to look into the production and use of biofuels in Victoria. The second recommendation is:

That the Victorian government initiates scientific research into the air quality benefits of ethanol-blended fuel use.

The third recommendation is:

That the Victorian government initiates scientific research into the air quality benefits of biodiesel fuel use.

The fourth recommendation is:

That the Victorian government requires drivers of government vehicles to use biodiesel-blended fuels where available.

The final recommendation is:

That the Victorian government, through the public transport division of the Department of Infrastructure, conducts comprehensive research on costs and benefits associated with the use of biodiesel blends in public transport.

The Liberal Party is particularly interested in this. We are particularly interested in what happens with biofuels in this state. It is a matter of urgency for us. I hope the government takes up the recommendation to establish a joint committee through the Environment and Natural Resources Committee to look into this further.

I remind members of what Brazil has done. Brazil has had a long and strong commitment to ethanol and it is important to consider its government policy. The ENRC report states:

The Brazilian government's ... program was the first large-scale biofuel program in the world. Introduced in 1975, the objective of the program was to introduce a blend of petrol with ethanol to the Brazilian market, and to provide an incentive for the development of vehicles fuelled by pure ethanol.

The report refers at length to Brazil's success. We can learn some lessons from that. There is a huge problem with public scepticism about and a lack of understanding of biofuels and ethanol. Ethanol is a derivative and the report has comprehensive detail about it, stating in part that:

Ethanol can be manufactured through industrial processes, by the fermentation of biomass feed stocks that contain sugar

It states about biodiesel that:

The manufacturing process for most forms of biodiesel is essentially similar ...

And earlier, that:

Biodiesel is derived from the methyl esters of fatty acids ...

In other words, you can take the fat produced by McDonalds and turn it into effective biodiesel to be used as a fuel in this state. It is something that we must look into much further. People in some parts of

Victoria — for example, in the Wimmera — are looking into ethanol use and are working on establishing cooperatives to run their farm machinery on ethanol. We must investigate it, take a proper look at the research, understand how it can be used in government and do the documentation so that we can put in place procedures that can help to alleviate the issues of fuel in this state into the future.

It is incumbent on us as a Parliament to take these hard decisions, to have proper committees formulated to do that and make recommendations to the public for the future use of these fuels in Victoria.

Confiscation Act: report 2005–06

Ms MIKAKOS (Northern Metropolitan) — I rise to make a contribution on a report tabled in this Parliament the other day from the Chief Commissioner of Police, Christine Nixon, as it relates to section 139A of the Confiscation Act 1997. It relates specifically to a legislative requirement of the Chief Commissioner of Police to submit statistical data to the Parliament as it relates to freezing orders made under the provisions of the Confiscation Act.

It is important to give members a little bit of background to understand the context of this report. The purpose of the Confiscation Act is to ensure that we take away the incentive to criminals to commit criminal acts by taking away their profit from their criminal behaviour. The legislation has been strengthened quite considerably during the term of the Bracks government to ensure that serious criminals — I am talking about commercial drug traffickers and people of that nature — do not profit from their crime but that those proceeds of crime are returned to the community. So the purpose of Victoria's asset confiscation and forfeiture scheme is to attack the profit motive of crime by confiscating the proceeds of crime and the tools used in the commission of crime.

In relation to the tools used in the commission of crime, a few years ago as a local member I had the opportunity of presenting my local Northcote State Emergency Service unit with an angle grinder that had been used by criminals to try to cut through a roller door in a warehouse. I was very pleased that that particular piece of equipment was able to be put to good use by the community through my local SES. So not just cash can be forfeited but also tools as well as other assets, such as real estate and cars.

There have been high-profile cases of convicted commercial drug traffickers driving around in luxury cars — Ferraris and so on — that quite clearly were

vehicles that they had acquired through the proceeds of their criminal behaviour. The proceeds from confiscations are put towards satisfying court orders for compensation and restitution to assist victims of crime. The scheme includes a number of safeguards for people whose property may be affected by a restraining order — that is taken into consideration by the courts.

In 2005–06, the period that this report relates to, there has been a significant increase, up by approximately 90 per cent, in the number of investigations being conducted by Victoria Police with a view to pursuing civil forfeiture. That result would be very pleasing to the Victorian community because the forfeiture and confiscations provisions are clearly working. The assets are being returned to the community.

It is important that members be aware that in the past two years the number of restraining orders made by the County and Supreme courts has risen by 150 per cent. As a consequence there is now a dedicated confiscation list in the County Court established to deal with this increased volume. The revenue from Victoria's confiscation scheme has grown by 34 per cent — from \$4.29 million in 2003–04 to an estimated \$5.77 million in 2005–06.

I am pleased that the regime is working well. During the period since 2000–01 the crime rate has fallen by 22 per cent. It is part of the Bracks Labor government's commitment to ensuring that communities are safer.

In conclusion I take the opportunity to congratulate the Chief Commissioner of Police, Christine Nixon, on being one of the best chief commissioners the state has ever had. I thank her for her tremendous leadership of Victoria Police. I was extremely disappointed to hear a member on the other side in his inaugural speech yesterday engage in a cowardly attack on the Chief Commissioner of Police. I commend the report to the house.

Law Reform Committee: de novo appeals to the County Court

Mr DALLA-RIVA (Eastern Metropolitan) — I am pleased to speak today in relation to the de novo appeals to the County Court report. This report was tabled outside the sessional sittings of Parliament in October 2006, just prior to the state election. Because Parliament was not sitting the house did not have an opportunity to discuss the report. Therefore, I take this opportunity to make comment on it.

As a former member of the Law Reform Committee (LRC) I can say that under the chairmanship of the

member for Bentleigh in the other place, Rob Hudson, that committee operated very effectively. It conducted a variety of investigations over the term of the 55th Parliament, and this final report was presented to Parliament as soon as possible — that is, on Tuesday last.

I put on record my appreciation of the work of the members of the LRC in the last Parliament. Its deputy chair, Mr Noel Maughan, has now retired from the other place. Other members included Ms Dianne Hadden, who missed out on re-election recently; Mr Geoff Hilton, who was factionally crushed by the ALP — which is unfortunate as he otherwise would have continued to be a good member of this chamber; my parliamentary colleague Mr Koch; the former member for Kilsyth, Ms Dympna Beard; as well as Ms Liz Beattie and Mr Tony Lupton from the other place.

I also put on record my appreciation of the work done by the committee's executive officer, Ms Merrin Mason. However, most of the work was done in the end by Dr Peter Chen who took on that role from 18 September principally to ensure the finalisation of the report before the last Parliament closed. Congratulations to Mr Nathan Bunt for the fine work he did in coordinating the report's publishing. Members who have been on parliamentary committees would understand the enormous amount of work that goes into preparing reports such as this. I congratulate office manager, Jaime Cook, and the acting office manager, Sallyann Webster, for their commitment to the production of the report.

When members hear about de novo appeals they might wonder what they mean for those in the legal fraternity. Essentially, and we tried to keep it simple, it is a new hearing that is heard afresh. There has been much criticism about cases where matters have been heard in the Magistrates Court and there has subsequently been a conviction and a sentence applied but the matter has then been sent to the County Court on appeal. People believe that on balance that is not fair, given that there is a total rehearing.

What we did was to look at the entire process: we looked at the historical context of de novos, we looked at interstate connections, and we took evidence not only from the legal fraternity but also from various members of the judiciary, and these are tabled in the appendix to the report. I have to say that being a former policeman it was quite satisfying on the odd occasion to have the opportunity to cross-examine a judge or a justice, as opposed to being the subject when they do it. But it was

interesting to hear their views and to get a fair opinion on what would benefit Victoria.

The recommendations in the report are not staggering. Probably the main one was recommendation 4, the final recommendation. Despite this being the last report of the committee, it was quite amazing that we made only a few recommendations.

Recommendation 4 reads:

That de novo appeals from the Magistrates' Court to the County Court be retained in their current form, subject to the minor procedural modifications recommended by the committee.

We had to put that on the record to establish quite clearly that during the process we realised that the current system as it operates in Victoria is quite effective. We took into account that there are some who feel aggrieved about a process where there is an automatic right to appeal, certainly in respect of a conviction where the matter has already been heard in full at the lower courts. However there was certainly evidence to suggest that this is not an overwhelming abuse of the system. That was the committee's view, and I shared that view. After taking evidence, on balance the committee was persuaded that the New South Wales model was not effective and that Victoria should retain its current system in its present form.

I commend this report to the house in its entirety.

Intellectual Disability Review Panel: report 2005–06

Mr SCHEFFER (Eastern Victoria) — I wish to make some comment on the 2005–06 annual report of the Intellectual Disability Review Panel.

The Intellectual Disability Review Panel is one of Victoria's most important bodies, as it is specifically charged with the responsibility of protecting the rights of some of Victoria's most vulnerable citizens — those with an intellectual disability who are unable to easily protect their own rights, especially when those rights may be compromised in some way by the Department of Human Services (DHS) itself.

The Intellectual Disability Review Panel operates within the legal system as an independent statutory body to protect people with an intellectual disability. The panel was created under the Intellectually Disabled Persons' Services Act 1986, and of course that act will be repealed during 2007 as the new Disability Act 2006 comes into effect on 1 July 2007. A good deal of the work of the review panel during the reporting period has been concerned with providing input to the

Department of Human Services in relation to the new Disability Act.

The panel consists of psychologists, members of DHS and the community, so as to be reflective of the views and concerns of the general public rather than of any expert body. The panel is empowered to review certain decisions made by the disability services division within the Department of Human Services. It can only make recommendations to the Minister for Community Services or to the secretary of DHS, and it does not have the power to make orders.

The panel can also review certain types of DHS decisions, as set out in the act. It can monitor the use of restraint and seclusion strategies involving people with an intellectual disability, and it also contributes to making sure that general service plans worked out to support people with intellectual disabilities do in fact provide a plan that can satisfy the person's needs and promote their continuing physical, social, emotional and intellectual development and wellbeing.

The panel can review decisions made by DHS that are concerned with whether or not a person actually has an intellectual disability in the first place or a developmental delay. The panel can review decisions about the nature of a general service plan, about whether someone should live in an institution, about whether a person should be kept away from other people, about whether they should be given drugs and about whether they should be subject to controls that could restrict their movement. These sorts of decisions are all serious. It is appropriate that the panel has the power to review these decisions to make sure that the processes that are followed are above board.

The 2005–06 annual report states that during the reporting period the panel has had the highest workload it has ever had to sustain. The panel received the highest number of applications for reviews. It has undertaken reviews of residents moving out of the Kew Residential Services, carried out ongoing reviews of residents in the intensive residential treatment program at the Disability Services Statewide Forensic Service and also improved the monitoring of the use of restraint and seclusion services for intellectually disabled persons.

The report states that the passing of the Disability Act 2006 was the most significant event during the reporting period for the Intellectual Disability Review Panel. The panel committed considerable energy talking to DHS about the new legislation and provided many suggestions to strengthen it. Under transitional arrangements the panel ceases its functions with the

proclamation of the new act even though it will be permitted to complete any matters before it for a period of three months after the proclamation of the act.

The report especially welcomes the government's decision to establish the office of an independent disability services commissioner, who will have wide powers to conciliate and investigate complaints related to the provision of disability services. The report notes that matters not dealt with in the Disability Act will be considered in the development of associated regulations, policies and guidelines. The panel intends to actively contribute to that process believing it has valuable knowledge and experience.

During the reporting period the panel played an important role in the Kew Residential Services redevelopment. From the evidence the panel gathered from the reviews it conducted, the panel reports that it believes that the residents who are relocating from Kew Residential Services will have the opportunity to experience a significant improvement in their quality of life, personal development and community participation. This is welcome news and — —

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

Budget Update 2006–07

Mr D. DAVIS (Southern Metropolitan) — I seek to make a statement concerning the budget update that was tabled yesterday. I particularly refer to pages 46 and 47, which deal with water and the challenges that Victoria faces with respect to this. The drought is now well understood by the community, but in terms of Victorian industry there are significant challenges that have to be faced. Those challenges are real, and I do not believe this government has come to grips with them. The government has not been open and honest with the Victorian community, particularly Victorian industry.

Mr Viney interjected.

Mr D. DAVIS — What is required is for the government to come clean on what the water crisis will mean for Victorian industry. The Minister for Industry and State Development, Mr Theophanous, and the Minister for Water, Environment and Climate Change in the other place need to come clean and put before Victorian industry the impacts of water restrictions and water cuts and what that is going to mean to jobs and employment. At this point industry needs clarity. It needs to be able to plan. It needs to be able to work through these issues in the future.

Obviously we all hope there is rain and that it comes soon, but the reality is that there may not be rain in a hurry. There is a need to allow industry to properly plan. An article in the *Age* yesterday pointed out that the water crisis is a threat to the state's economy, that not only will agricultural production be hit, and hence will affect Victoria's exports of a number of produce items, but it will also impact on other areas like the manufacturing industry and a whole range of different sectors. The government, including and particularly the Minister for Industry and State Development and the Minister for Water, Environment and Climate Change, need to put before industry a clear plan about the impact of restrictions, the cuts to water usage and what the cycle will be. Without that clarity, without the ability to plan properly, industry will be hampered in its response.

The failure of the government to come clean on some aspects of its water infrastructure plans has been a real problem. It will continue to put a question mark over the government's plan for water management in the state. I said yesterday in this house that I have concerns over the government's failure to release the feasibility study on the Gippsland pipeline. I make the point that until major pieces of analysis like that are put into the public arena so that business and the community can properly analyse the case being put by the government, planning will be hampered and the community's trust in the government in respect of its program of water infrastructure building will be much reduced.

I am hopeful that the government will put forward the details of its feasibility study and will come clean on key issues surrounding water infrastructure. I note the comments by the federal Parliamentary Secretary to the Prime Minister with responsibility for water, Malcolm Turnbull, who has made it very clear that water is a very important issue for Victoria and that the Victorian government has dropped the ball on a number of these issues. I am very supportive of the comments he has made, and I think he has pointed quite accurately to the weakness this government has exhibited in water management.

Intellectual Disability Review Panel: report 2005–06

Mr DRUM (Northern Victoria) — I comment on the 2005–06 report of the Intellectual Disability Review Panel. In doing so it is worth noting that the review panel has acknowledged that this is the busiest year it has had in its reporting history. It has largely been taken up by dealing with residents who have had to be relocated from Kew Residential Services to community residential units as this is the only model that the

government has had for the last seven years to cope with these people.

The panel also acknowledges that a large part of its year has been taken up dealing with the Department of Human Services on the Disability Act 2006, which will come into play next year. Some of the funding models set out in the bill had already been implemented. The panel also talks about the extensive time spent consulting with the department on legislation changes made through the act. It is a worry that I cannot see anywhere in the report any indication that the Intellectual Disability Review Panel has consulted with the families and carers of people with disabilities. The review says:

The panel will be working closely with the department over the coming 12 months to contribute its knowledge and experience to the development of these regulations ...

That refers to the regulations associated with the Disability Bill that went through Parliament, now the Disability Act. It has become apparent that the Department of Human Services is locked in one corner against the families of children who have disabilities. It seems that the legislation we passed in the last session of Parliament has only strengthened the divide between families and the department that is offering the services that are being reviewed by the panel.

The report talks about the work the panel is doing in relation to general service plans. During the reporting period the panel received 28 application inquiries and 21 fresh applications for review in relation to general service plans for people with disabilities. Almost half those applications were lodged by parents and relatives of the affected persons. That gives an indication that half the issues are driven by people who are caring for family members with a disability. In the vast majority of cases of people with serious disabilities, the individuals are not able to make applications themselves. Yet looking through the annual report you cannot find any reference to the panel's consultation with families and carers.

This is one of the great problems we have with the disability sector in this state, that the families and the carers seem to be left out in the cold while the consultation goes on around them. They seem to be the ones who are taken for granted, and it is the families and carers who do not seem to have a voice when it comes to legislation and when it is time to discuss the general service plans for their children and their relatives who come under the department. We know the Disability Bill that was passed in the last session of Parliament relinquished the responsibility of this government to provide a service, even though the

authenticity and the genuineness of the disability may have been established. Now the government has legislated itself out of responsibility for providing services to people with disabilities through the work that it put into the Disability Act. For this group to applaud the Disability Act certainly raises questions about the independence of this reporting panel.

The report also states:

The previous two annual reports commented on concerns raised in applications to the panel relating to people living in supported accommodation ...

That happened in the last two annual reports, and it is saying here it has happened again. There are serious concerns, and I certainly hope that the new Minister for Community Services will take a completely different view of how to deal with these issues. We obviously have a whole raft of issues where people are being put into inappropriate housing. It is quite obvious that many of the people who have been moved out of Kew are going to be experiencing positive outcomes because they have picked the low-hanging fruit.

Victoria Grants Commission: report 2005–06

Mr VOGELS (Western Victoria) — I would like to make a few comments on the *Victoria Grants Commission Annual Report 2005–06*. The commission's primary focus for this period was the determination of general purpose grants and local roads grants for 2006–07 for each Victorian council. This annual report details the methodology used to allocate these grants, and we need to remember that these are commonwealth grants which are then distributed by the Victoria Grants Commission.

The estimated allocation for Victorian councils for 2006–07 is \$394.945 million, comprising general purpose grants of \$288 million and local road grants of just over \$106 million, which is about a 4 per cent increase on last year. If you look at the graph on page 13 for commonwealth grants over about the last 10 years, you will see that the commonwealth grants to local government have gone up by about 4.5 per cent per annum each and every year. This is compared to the state government grants allocation for this local government budget item, which decreased from a high of \$206 million in 2002–03 to \$113 million in 2005–06, as is shown in the state budget papers. In fact state grants to local government have nearly halved and, as I said, the commonwealth grants continue to go up by about 4.5 per cent per annum, which I am sure concerns councils.

The other part of this report also deals with local road grants to councils. Once again the commonwealth local roads grants have gone up from \$102 million to \$106 million over last year — once again, a bit over a 4 per cent increase. On top of this, Victorian councils also receive Roads to Recovery funding from the commonwealth. Last year they received \$125 million. Normally Roads to Recovery funding is \$62.5 million a year, but in the May budget last year the commonwealth announced a one-off *ex gratia* payment of another \$62.5 million, which brought the total up to \$125 million.

I asked this question of this government on many occasions over my four years as opposition spokesperson for local government, and once again I ask: is it prepared to fund local roads and bridges for councils? The answer is an emphatic no. This government has never allocated any dollars for councils to maintain their country roads and bridges, and I think that is an indictment of this government. As we all know, in the lead-up to the election — which I grant we did not win — one of our policies was that if we won we would match the federal government's Roads to Recovery funding to local government, which would have been an excellent outcome for local councils, especially in country Victoria.

The report, for example, shows why local roads are important to councils in country Victoria. The Shire of Buloke has a total local road length of 5168 kilometres compared to, say, Bayside City Council with 920 kilometres. The Shire of Buloke is expected to maintain the 5000 kilometres of roads — which is probably the distance from here to Port Douglas; I am not sure, but it is a long way — and bridges out of its rate base. We know its rate base is about \$4 million, so how can it expect to keep its local roads and bridges maintained without state government funding? Another example is the Darebin City Council, which has 506 kilometres of local roads compared with Loddon Shire Council which has 4724 kilometres. I could go on. It is about time the state government accepted the responsibility of sharing in the funding of local roads with councils across country Victoria.

There are about eight councils in country Victoria, most of which are in the Western Victoria Region, which Ms Tierney, Ms Pulford, Mr Koch, Mr Kavanagh and I represent, that are going bankrupt. If they were private businesses they would have to close and throw away the key, and somebody would be charged because of it. There is no way known that those councils under the present regime can survive. They need a large input from the state government of the GST windfall Victoria receives. I commend the report of the house.

Intellectual Disability Review Panel: report 2005–06

Ms DARVENIZA (Northern Victoria) — I wish to make a few comments on the Intellectual Disability Review Panel (IDRP) 2005–06 annual report. The panel is made up of 33 members, of whom the president is Lynne Coulson Barr. The panel members are psychologists, community representatives and departmental officers. Intellectually disabled people are some of the most vulnerable in our community and they need the panel to review decisions made on behalf of them, whether they are living in the community and community-based facilities or whether they are residing in congregate care facilities across the state.

As members of the chamber would know, we have had in the past many large facilities for the intellectually disabled, such as Kew Cottages, which is the last big institution that still remains and which is in the process of being decommissioned and its clients moved into the community. Others have gone before it, such as the Beechworth Mayday Hills facility, which offered a combination of intellectually disabled and psychiatric services. Aradale in Ararat was a large facility for intellectually disabled people. Both of those large institutions have been closed and their clients moved into the community. While challenges and difficulties arise from time to time in such moves, the clients have a far and away better standard of living and a far better lifestyle when they are integrated into the community.

Closer to home we have seen big facilities and institutions close, like the Caloola Training Centre at Sunbury, an intellectual service facility which closed its doors many years ago. Predominantly the larger number of its clients moved into the community. Some of them moved to other institutions and other intellectual disability service facilities, and now they are moving out again.

The Intellectual Disability Review Panel reviews decisions and care plans. Its members are able to look at decisions made by the department. Predominantly the services received by IDS clients are delivered and provided by the government, so the panel reviews decisions made by government employees, whether they be direct-care workers who work very closely with the clients on a day-to-day basis or departmental officers, who are bureaucrats who sit in a regional office or an office here in the city.

The IDRP has done a terrific job and a lot of hard work over the last 12 months. The panel's report talks about initiatives to strengthen the legislation, which will protect the rights of people with a disability. The

panel's members describe how their clients were consulted and that the experience they had was a good one while the government went through the process of putting that legislation in place, and we saw that come through the last Parliament. The report talks about the role and redevelopment of Kew Residential Services and the positive aspects that have come into play, the role panel members have been able to play and the way staff at the service have been able to participate in the decisions that are being made which affect their clients. They have reviewed some 146 clients.

The panel's report also talks about the Statewide Forensic Service as well as the monitoring of — —

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

Budget Update 2006–07

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I desire to make a statement on the *Budget Update 2006–07*, which was released by the Treasurer to the Parliament yesterday. This particular document is interesting because it comes so quickly after the pre-election budget update. As continuing members of the chamber would know, the pre-election budget update is a document that is required to be produced by the Secretary of the Department of Treasury and Finance once the writ for an election is issued. Grant Hehir, the Treasury secretary, released the pre-election budget update on 10 November, and later that day the Leader of the Opposition, the shadow Treasurer and I were briefed by the secretary of the Treasury on the contents of the pre-election budget update, which is a six-month update on the May budget. I understand the leaders of the other parties — the government and The Nationals — were also briefed on that document.

At that time it was interesting to note the changes that occurred between the production of the budget papers and the pre-election budget update, with significant shifts in revenue and significant growth in revenue already forecast above and beyond that which had been forecast for the budget, and also significant growth in debt levels and expenditure. It is therefore interesting to have received the budget update yesterday, which effectively is a one-month, or at best six-week, update from the pre-election update and in which we can see even further shifts and growth in debt levels, and particularly in superannuation debt levels.

The revenue estimates in the budget update from yesterday have been adjusted for the taxation changes that this Parliament will consider later this day, but the

most significant change is in the level of debt that has been forecast, and it is this area that I want to concentrate on, because the Labor Party in Victoria has had a history of running this state on debt. Everyone is aware of the longstanding history of the previous administration under which general government net debt was run up to the order of \$32 billion — and that is in terms of the value of 1992 dollars, not current-day dollars.

Mr Thornley interjected.

Mr RICH-PHILLIPS — Mr Thornley says it depends what you spend it on. That is correct. However, if you are spending it on recurrent items, as that government was, it is not sustainable. With general government net debt having decreased to the order of \$1.7 billion in the financial year just finished, we are now seeing that figure increase. The estimate for debt for 2010 has increased to the order of \$7.8 billion.

Mr Thornley interjected.

Mr RICH-PHILLIPS — Why that is concerning is not, as Mr Thornley claims, that it is capital investment — —

Mr Thornley — You want to complain about public transport, but you don't want the infrastructure.

Mr RICH-PHILLIPS — It is concerning because of the vast difference between the budget update produced yesterday and the pre-election budget update of only six weeks ago. It remains for the government to explain why in the space of six weeks the estimated level of net debt has increased in the order of \$300 million. Is it that the estimate provided by the secretary of Treasury and Finance only six weeks ago was wrong, or does the explanation relate to more dubious purposes such as we have seen in the past? The trend is certainly there; it is up to the government to establish the basis on which this is occurring.

Mr Thornley, by interjection, referred to investment in infrastructure. However, we see in the superannuation estimates that as a result of the triennial actuarial review of the defined benefit superannuation schemes there has been an enormous blow-out in the level of liability. That was accounted for in the pre-election budget update, yet we are seeing a further increase in that superannuation liability brought to book only six weeks later. It seems to have been the trend of this government to have notionally adopted the policy of former finance minister Roger Hallam of drawing down the unpaid superannuation liabilities and then saying, 'That is our policy, and we will do that, but not this year'. We are seeing that liability drift from year to year and not be

drawn down as was the government's commitment, and so we have the continuing large liability.

The former Minister for Finance put his hand on his heart and said, 'We are going to address it, but not this year'. We are seeing this drift year after year — —

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

STATE TAXATION LEGISLATION AMENDMENT (HOUSING AFFORDABILITY) BILL

Second reading

**Debate resumed from 20 December; motion of
Mr LENDERS (Minister for Education).**

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I am pleased to lead the first legislation debate of the 56th Parliament in this place today. I am also pleased that the content of this first debate is a taxation bill, because I think the issue of taxation is going to be central in this Parliament over the next four years.

Some members would regard the reconvening of this Parliament in December as a hasty move by the government. Many of the new members have not occupied their offices, many of them do not have the equipment they need to function effectively in this place this week and indeed some members of this particular chamber did not even know, as recently as a week ago, that they were going to be members of Parliament, so they have started this week very much on the back foot. What we see with this bill coming forward today is a very unusual legislative process, because normally with legislation like this the Treasurer would introduce it in the other place and it would lie over for at least two weeks for consultation and debate in the community before being debated in the other place and then coming to this house following a delay of at least a couple of days.

What is normally a process that takes at least three, sometimes more, weeks has been compressed into about three days. The reason for that will become apparent, but it has, I have to say, put some of the members of this place at a disadvantage, particularly those who as recently as a week ago did not know that they would be members of this place. Having said that, I note that last Thursday the shadow Treasurer and I were briefed by Treasury on this bill through the Treasurer's office, and our position is that we will not oppose the legislation.

The purpose of the bill is to implement a number of measures that were announced by the Labor Party during the state election. There are three initiatives picked up in the bill, and despite the title referring to 'housing affordability', only two of them relate to that, and one relates to payroll tax. The Labor Party, during the course of the election, made a couple of announcements with respect to housing affordability. One related to the first home owner grant and the other related to stamp duty. This bill implements those initiatives, and the reason that we are here today debating this bill is that these initiatives come into effect on 1 January.

While some of us are probably not all that happy that the Parliament is sitting this week, I think it is preferable that we pass the legislation before the initiatives come into place rather than passing retrospective legislation next year, so being here today is probably the lesser of two evils, rather than trying to legislate retrospectively for these announcements.

The first of the major announcements in this legislation relates to changes to the first home owner bonus. The first home owner bonus is that bonus offered by the Victorian government above and beyond the bonus put in place by the commonwealth-state agreement on taxation that introduced the GST. Members are aware of the \$7000 that is paid under the commonwealth-state arrangement, and for the last several years the Victorian government has paid an additional \$3000 as the first home owner bonus. What the legislation, and indeed the government's policy, does is extend for existing properties that bonus to June 2009. It was due to expire in June next year.

It also increases the bonus from \$3000 to \$5000 for new dwellings. Purchasers of new dwellings will receive the existing \$7000 first home owner grant under the commonwealth-state agreement and then a further \$5000 under the legislation before the house today. I should add that the \$7000 grant under the commonwealth-state arrangement is unchanged by this legislation.

The second element of the bill deals with changes to stamp duty. In rough terms what the bill achieves is a reduction from 6 per cent to 5 per cent in the rate of duty payable on homes valued between \$115 000 and \$400 000. Above \$400 000 the cut in stamp duty is capped at \$2850 for properties valued up to \$500 000. That only applies to the purchase of properties as a principal place of residence; it does not apply to the purchase of properties for commercial purposes.

The government has championed this announcement. The Premier and the Treasurer were out talking about the significant impact this will have on home buyers in Victoria, and of course while the announcement is welcome and is not one that we oppose — we would never oppose a tax cut — it is one that has to be put in context. That context is that this cut in stamp duty announced by the government represents only around 1.7 per cent of the total revenue the government collects from stamp duty — that is, the ongoing, full-year amount. For the first period, which is only six months of the financial year, it is obviously significantly less. But on an ongoing basis it only represents around 1.7 per cent of total stamp duty revenue, so in terms of the impact on revenue collected, it is minimal.

The Treasurer likes to talk about the number of state taxes in Victoria. He does not like to talk about the level of state taxes, he likes to talk about the number of taxes, and he also likes to talk about the level of taxes as a percentage of gross state product (GSP) relative to some other states — not all other states, but some other states. What the Treasurer does not talk about is the present level of state taxes as a percentage of GSP versus what they were historically.

It is worth looking at the impact of state taxes under this government over the life of this government, because from time to time we have adjustments to rates and scales of taxation in this state, but none of those adjustments ever quite make up for the level of price inflation in this state. Although we get cuts from time to time, they never quite make up for how much extra revenue is gained as a consequence of price rises.

I turn to the issue of taxation as a percentage of gross state product. Under the previous Liberal administration, stamp duty in this state accounted for 0.66 per cent of GSP. For the last financial year 2005–06 under this government, it was almost 1 per cent of GSP — 0.95 per cent — so we have seen a substantial increase in the burden of stamp duty on the Victorian economy. The Treasurer can talk about adjustments to rates and scales, but the reality is that as a percentage of the Victorian economy, Victorians are now paying substantially more in stamp duty under this administration after seven years than they were under the previous administration.

I now turn to the issue of payroll tax, as payroll tax is also the third element picked up in this bill before the house today. The bill brings forward the previously announced reduction in the payroll tax rate from 5.15 per cent to 5 per cent.

Honourable members interjecting.

The PRESIDENT — Order! Whilst I am enjoying the banter that is going across the house, it is affecting Hansard's ability to hear the contribution by Mr Rich-Phillips, so if members have something to say to each other, they should go and sit next to each other.

Mr RICH-PHILLIPS — This reduction in payroll tax was due to take effect from 1 July 2007. This bill brings that forward to 1 January 2007, but again, given the rhetoric of the Treasurer and the impact that this will have on business, it is worth putting it in context. The reduction in payroll tax implemented by this bill accounts for only 0.7 per cent of total payroll tax revenue. Again, it is a very minor reduction in the aggregate level of payroll tax paid by Victorian businesses on an annual basis. Again, putting payroll tax in the context of GSP, when the previous administration was in power, payroll tax accounted for 1.39 per cent of GSP. Under this administration, it has grown slightly to 1.4 per cent. It is a minimal increase, but certainly no real reduction. Despite the words of the Treasurer and his tinkering at the edges with scales and rates, the burden on the Victorian economy from payroll tax is virtually the same as it was seven years ago.

I will make one further point on payroll tax, and that is that payroll tax is one of those things that only businesses pay and not many people appreciate the impact that payroll tax has on the economy, but it is worth putting payroll tax in the context of employment. This year, following the reductions that this bill implements, the government expects to collect just over \$3.4 billion in payroll tax. If that were to be converted to employment in terms of the average cost of employing a person in Victoria, and with on-costs and superannuation that is now in the order of \$65 000, it would mean the payroll tax burden in Victoria would be equivalent to 52 000 jobs. If employers across the state were not paying \$3.4 billion in payroll tax, they could employ on average an extra 52 000 people.

Currently the Victorian unemployment rate is about 4.7 per cent — roughly 125 000 people. If payroll tax were not a burden on business in this state and was completely removed — and obviously that would have enormous impacts on the state and it is not what I am advocating — unemployment would be reduced in the order of 52 000 from the current 125 000. That would give us an unemployment rate of around 3 per cent. So the difference between the current 4.7 per cent and a notional 3 per cent unemployment rate is the impact of payroll tax on employment in this state. That is something to bear in mind when we talk about marginal changes and the fact that payroll tax is only paid by larger employers. The reality is it has a very tangible

impact on employment in this state. Its serious reduction would have a significant impact on the level of employment.

This legislation implements the three changes I have mentioned, which were outlined in the document published by the Labor Party titled *Housing Affordability*, a policy for the 2006 Victorian election. On page 4 of that document some very misleading comparisons are made as to the impact of these changes on housing affordability. The reason this document is misleading is that it conveniently picks a reference date of 30 June 2000 to compare housing affordability with now. The significance of that date is that it was one day before the implementation of the federal-state taxation agreement, which introduced the \$7000 first home owner grant. If you chose to compare one day later than the date the Labor Party used in this document, the figures of the impact of this package would be very different, because rather than seeing the taxes on housing reduced by 84 per cent, as this document proclaims, the reality is that the changes implemented by this legislation would be of marginal impact.

The figures presented in this document, not surprisingly, are misleading at best, deliberately deceptive at worst. They are designed to mislead Victorians as to the impact of these changes. In fact if the whole package is taken into account and the fact that the first home owner grant has been available since 1 July 2000, this would be a very different picture for the people of Victoria, and they would realise what a dud they have been sold with this policy and this legislation before the house today.

I would like to touch on one other aspect that the Treasurer raised in the other place in his third-reading response on this legislation. It relates to the issue of the Labor Party's capital commitments. *Labor's Financial Statement* was produced very late in the electoral cycle; I think it was released on 22 November, three days before the election, so there was plenty of time for scrutiny, as you would expect. That document was accompanied by two letters from Deloitte, both of which related to the plausibility of the commitments that the Labor Party had made. In particular there are two references to the capital commitments of the Labor Party. A letter of 30 October from Rory O'Connor, partner of Deloitte, says:

In accordance with the terms of our engagement letter dated 12 September 2006, Deloitte Touche Tohmatsu has:

...

Calculated whether the total value of the capital investment commitments to be made as part of 2006 election are within the unallocated capital budget

contained in the Department of Treasury and Finance forward estimates contained in the 2006–07 Victorian budget papers.

Based on the work performed, we have concluded that:

...

The total capital investment commitments appear to be capable of being accommodated within the Department of Treasury and Finance forward estimates contained in the 2006–07 Victorian budget papers.

What that is saying is that the \$3.277 billion in capital commitments that were announced in *Labor's Financial Statement* are to be accommodated within the line item in the budget papers. I also have the pre-election budget update on which this was based. There is a line item of unallocated capital in the order of \$2.2 billion over that period. So we have a deficit in the order of \$1 billion between what is shown in the budget update and in the pre-election budget update and the commitment made by the Labor Party in its financial statement document.

The Treasurer in his third reading on this bill yesterday attempted to say that it was because, although they have these commitments over a period, they only talk about the money required in one year. He then tried to cite an example from a previous Treasurer in this Parliament, using a project which referred to the total estimated investment for the first year versus the cost of the project over its life-cycle construction period. The argument advanced by the Treasurer is at best misleading and at worst deliberately deceptive because he is attempting to rewrite history. He is attempting to say that what Deloitte said in its document is not true.

The documents from Deloitte very clearly demonstrate that these commitments of the Labor Party are to be funded within the unallocated capital provisions in the budget update, not used beyond the budget update but within the years in the budget update, which expire in 2009–10. It is very clear from the letter from Deloitte to the Labor Party that its commitments were to be funded in those four years. It is very apparent from the list of commitments now made that that cannot be delivered. Any attempt by the Treasurer to say that he only talks about cash for the first year is at best misleading. Again this government is deceiving the Victorian people.

There is one other aspect that I would like to touch upon, and it goes to the probity accountability of this government. The role of the Department of Treasury and Finance is to provide advice to the government and to implement the government's policies in the treasury and finance area. It is not the role of Treasury and Finance to cost the Labor Party's election promises. Yet in this document we have an extraordinary situation. On

page 9 of this document there is a table of funding for these policies that are covered in this legislation today — the cost of the first home owner bonus, the stamp duty cuts and the adjustments for contingency funds held by Treasury. The Labor Party has estimated that the cost of the first home owner bonus initiative is \$234 million over five years and the stamp duty cuts are worth \$305 million over five years. Separately, in a different document the estimated payroll tax cut being brought forward is worth \$26 million.

If you put two economists in a room and ask them a question, you will get at least two different answers; if you put one economist in a room and ask him a question, you will still get two different answers.

I am absolutely amazed that the estimates published in this document — this Labor Party policy document — according to the briefing by officers from the Department of Treasury and Finance last week accord exactly to the dollar with the Treasury estimates of the impact of this policy. I find it astounding that every time we get a budget update, every time a budget comes out, we see variations that at times run into the hundreds of millions of dollars between the estimate and the actual, yet we are to believe that whoever put this document together, independent of the Labor Party and whoever did the estimates in the Department of Treasury and Finance, came up with exactly the same result — that is, identical numbers!

It appears to me that the only way these numbers in the Labor document can accord exactly with the numbers in the Treasury document is if the Treasury prepared them and prior to the issuing of the election writ the Treasurer went to the secretary of his department and said, 'I want to do this and I want you to cost it'. The Labor Party has taken the work of the Department of Treasury and Finance, paid for by the taxpayer, and used it in a Labor policy document.

I have to say that is an absolutely outrageous use of the department; it is an abuse of the department and the resources of the Victorian taxpayer. It is not the way in which any government should act. I look forward to seeing the actual outcome from this policy next year, because invariably the estimates in this document will be different from the outcome; they always are. Every Treasury document differs in its actual outcome from the estimates; that is to be expected. Yet somehow we have a Labor Party estimate and a Treasury estimate that are exactly the same. That can only come about by the misuse and abuse of government resources and taxpayer resources by the Labor Party.

This bill implements some minor tax cuts announced during the election. The Liberal Party does not oppose it, but the Liberal Party and the people of Victoria expect a lot better from this government.

Mr HALL (Eastern Victoria) — It gives me a great deal of pleasure to comment on behalf of The Nationals on the State Taxation Legislation Amendment (Housing Affordability) Bill. As the minister pointed out in his second-reading speech and as Mr Rich-Phillips has just pointed out, the bill does three things. Firstly, it makes cuts in stamp duty payable on property purchases; secondly, it extends and modifies slightly the first home owner buyers grant; and thirdly, it contains some small reductions in payroll tax. My intention this morning in contributing to this debate is to look at each of those three in turn and comment upon them.

I first turn to the cuts in the stamp duty rates payable on land conveyance. The bill spells out that for properties valued between \$115 000 and \$400 000 the duty rate will be cut from 6 per cent to 5 per cent. The second component is that for properties valued between \$400 000 and \$500 000 the duty will be cut by a flat \$2850. The changes will be implemented from 1 January 2007, hence the need for this house to pass the legislation through the chamber today.

I make a couple of comments about the cuts to the land conveyance duties. Firstly, I indicate that The Nationals support those cuts and welcome any cut in taxation; we are happy to support them. I indicate that Victorians still pay a significant amount in stamp duty on land conveyance. For example, if a person were to buy a \$200 000 house in Victoria, under the current rate he would pay \$7660 in stamp duties. Under the new rate, where the government is reducing the stamp duty rate from 6 per cent to 5 per cent, for the purchase of a \$200 000 house a person would pay \$6810, which amounts to a savings of \$850.

A \$200 000 house is a typical, average house cost for people who live in many parts of Victoria outside the capital city. For a \$400 000 house, on the old rate you would pay \$19 660 in stamp duties, whereas under the new rate you will pay \$16 810, which is a savings of \$2850. The savings are more significant as the cost of the house increases. We are still paying significant amounts of money on stamp duties.

If you look at Melbourne's median house price, which is just under \$400 000, people are still paying well over \$16 000 in stamp duty. It is a significant impost on home purchasers.

The other point I make on the stamp duty cuts is that the government could well afford to make these cuts. In our view it could make more significant cuts in stamp duty. If members look at the 2005–06 budget estimates presented to Parliament last year, revenue received from taxes on land conveyance was estimated at \$2 billion. Budget paper 4 presented to Parliament last year gave us a revised estimate that the revenue collected from conveyance duties on land transfers would be about \$2.4 billion — that is, an extra \$400 million that was not accounted for.

The minister's second-reading speech on this bill says that the stamp duty cuts will save people who are buying houses something like \$305 million over five years, therefore saving people about \$60 million a year. Yet the government in its budget papers estimates that it will receive an extra \$400 million on top of what was originally estimated.

I went back and looked at the document that was tabled in the interim period between when Parliament last sat and when the election was called. That is the final quarterly report and gave the actual outcomes from the 2005–06 budget. This particular component of land transfer duty came in at \$2 659 597 000, which was \$660 million beyond that originally estimated. The government in the last financial year received 10 times more than what this modest cut in stamp duty is actually going to cost the government. It will cost the government \$60 million a year but the budget outcome for 2005–06 was an increase of more than \$600 million on top of what was originally estimated. That is why I make the point that the government could well afford to do more in terms of cutting stamp duties.

The second area of this bill goes to the issue of first home owner grants. It extends the \$3000 first home owner grant from June 2007, and keeps that grant in place until at least June 2009. It also makes a change enabling an extra \$2000 grant to be given to those first home owners of newly constructed homes. As Mr Rich-Phillips said, somebody buying a newly constructed home as their first home would qualify for \$7000 from the federal government and now \$5000 from the state government.

But there is a catch to all of this, as there is a catch in a lot of Labor legislation we see coming before the house. It is this: if you are a first home owner buyer, you cannot get both. You cannot get the aforementioned stamp duty cuts and the first home owner grants; you can only get one or the other. If you are buying a \$400 000 home in Melbourne — which is a typical price that a lot of young people would have to pay — your choice is to either take the stamp duty cuts

that amount to \$2850 or you can take the first home owner grant of \$3000 — a big difference of \$150! There is not a great deal of choice.

An honourable member interjected.

Mr HALL — I hear a comment from someone sitting behind me with which I agree, that the government could well afford to deliver both to first home buyers. I think it is a very mean-spirited approach. The government is saying through this legislation that it is simply one or the other. It could well have afforded to do both.

In The Nationals election policies we said in respect of stamp duties and first home owners that we needed to encourage and help young people. We suggested the complete elimination of stamp duty for first home buyers in country Victoria, and there should be zero stamp duty on farm purchases for people aged under 35 years. Why have we suggested that these measures should apply to country Victoria and not Melbourne? Simply because we all acknowledge and recognise — and a lot of new members have said it in their inaugural speeches in Parliament over the last two days — that we need to encourage young people to remain in country areas rather than move to capital cities, and one way of doing that is to assist them in buying housing in country areas. That is why we put forward an initiative as part of our election policies that there should not be any stamp duty for first home buyers in country Victoria.

With respect to the second component of that policy — that is, eliminating all stamp duty for farm purchases by people aged under 35 — we need to encourage young people into the farming sector, and there is a generational problem at the moment. Quite frequently mum or dad cannot afford to pass on the farm to their son or daughter because of the stamp duty implications in so doing. We have been saying that if we want to encourage young people to take on farming — and we desperately need them to do so — then the elimination of stamp duty would be of assistance.

In respect of the first home owner grant and the stamp duty component, which is the housing affordability component of this legislation, we say — and the figures I have presented back up my claim — the government could well have afforded to do more in both of these areas.

The last issue I want to comment on is the payroll tax component. Under the provisions of this bill we will see a reduction in payroll tax from 5.15 per cent to 5.05 per cent. That tax had been foreshadowed to start in July

2007; it will now start in January 2007. The second-reading speech says this is a bonus of \$26 million to businesses, which is welcomed. We in The Nationals support cuts in payroll tax and make the same comment about it as we make for stamp duty, that this state could well afford to have bigger cuts in payroll tax.

Again, if you look at the budget figures for 2005–06, you see in budget paper 4 that the estimated revenue to be received from payroll tax is \$3.2 billion. When the budget papers were presented, the revised estimate was \$3.36 billion, which is an extra \$160 million per year out of the 2005–06 budget in the area of payroll tax. Yet this benefit means only \$26 million to businesses. Probably only one-sixth of the extra revenue that the government did not anticipate from payroll tax is being passed back to small businesses.

We believe the government could well have afforded to do more in this area of reducing payroll taxes to Victorian business. However, as I said, any reduction in taxation is a welcome measure. For the reasons I have outlined in this contribution The Nationals will be supporting this legislation.

Mr BARBER (Northern Metropolitan) — If this is the appropriate time, President, I would like to move a reasoned amendment to the motion on the second-reading. I move:

That all the words after ‘That’ be omitted with the view of inserting in their place ‘this bill be withdrawn until the government tables a strategy to address the crisis in affordable housing in Victoria’.

I will try to be brief because someone once told me that a bad speech can be forgiven but a long one never. But I want to get on record the Greens’ view of what this bill purports to address — that is, housing affordability. This bill is a tax cut and in my view a government that is offering tax cuts has simply run out of ideas. It means that with the amount of money it is going to be returning today it can think of no greater public good. It is like one of those cash-back deals on a mobile phone which you soon regret after paying because you suddenly realise that they are effectively bribing you with your own money anyway and you start to wonder what is wrong with the product, what is so deficient. If I understand anything about the political philosophy of members opposite, it is that Labor, among its core principles, stands for the redistribution of wealth to those who need it and also the provision of basic services to the needy, of which housing is the absolutely most fundamental. My question is: will this bill do that?

A couple of years ago the Productivity Commission, in its inquiry into first home affordability, provided a table which showed the income distribution of first home buyer households. It showed those groups eligible to claim this grant broken down by quintile. In fact the two highest quintiles of first home buyers represent 54.8 per cent of the population; and the top three quintiles represent 82 per cent. This shows what anybody can understand intuitively — that the poorest of the poor cannot afford to buy houses and most of them cannot even afford to rent, therefore you have to ask how they could ever take benefit from a first home buyer grant.

In Victoria we have a low-cost housing crisis, and crisis is not just some extreme, Greens characterisation; many others have said it. The United Nations expert on adequate housing, the so-called special rapporteur, on 23 August issued a press release in response to his preliminary findings on a visit to housing conditions in Australia. It states:

Throughout his visit and consultations, the special rapporteur identified a serious hidden national housing crisis in Australia ...

Mr Kothari pointed out the widespread problem of homelessness, the lack of affordable housing, a dwindling public housing stock, long waiting periods for access to public housing, and inadequate government provisions for long-term safe housing, particularly in rural areas, was affecting a wide range of people and vulnerable groups across Australia.

There are 35 000 people on the public housing waiting list. It has come down mainly as a result of the recession we had to have when it was much higher, but effectively 35 000 is the public housing waiting list. It did not get a lot of talk in an election when there was a lot of discussion about other waiting lists.

I want to comment on the word 'homelessness'. I know that in the community at large — hopefully members here are somewhat more aware — when you say homelessness, what instantly appears in people's heads is a picture perhaps of an old guy who sits on the same street corner and drinks a lot. It is that misconception that probably leads to some need for further elucidation when it comes to the issue of homelessness. The Australian Bureau of Statistics' data tells us that 42 per cent of all homeless in Australia are women and 46 per cent are under the age of 24. Every year more than 50 000 children accompany their parents to homelessness services. Nevertheless even families with young children are being turned away. So that is what homelessness really means. Let me just quote a few more things that will illustrate what it means when I talk about a homelessness crisis.

An opinion piece in the *Age* newspaper on 1 November 2003, authored by Chris Middendorp for Hanover Welfare Services, states:

So you think there's a crisis in housing affordability for first home owners. Try this for a crisis: I've just made 35 phone calls over 3 hours attempting to find Peter some emergency housing. As usual, there's a resounding chorus of 'no vacancies'. Peter, 40, will have to spend another night sleeping in the park. We'll try again tomorrow.

...

Here's the shocking truth. Fewer than one in three households seeking crisis accommodation in Melbourne can be assisted.

More recently — and this popped up during the election but somehow did not become an election issue — in the *Age* of 14 October an article headed 'Boarding house operators exploit homeless' states:

A building in which two people died in a fire earlier this month is part of a network of boarding houses run by people including convicted sex offenders.

An *Age* investigation has found that thousands of society's most vulnerable people are being placed in boarding houses that are largely unregulated. By limiting the number of tenants —

and this is important —

the companies that manage such establishments are able to avoid industry regulations and council inspections.

...

A number of complaints about the companies had been made to Consumer Affairs Victoria by the tenants union, but they continue to operate.

The Tenants Union of Victoria, by the way, has put to the government a seven-point plan to fix that crisis, the crisis of unregulated, exploitative rooming houses to which people continue to be referred by our housing agencies, because they have no choice. I would have liked to have seen the government move with alacrity on this to bring forward a piece of legislation — this is the only piece of legislation that this Parliament was convened to address — to regulate these rooming houses and their operators.

The Tenants Union of Victoria's seven-point plan is to: align the definition of 'rooming house' in all relevant legislation so it is based on four people within a single dwelling; clarify and improve registration conditions for rooming houses, which includes implementing annual local government inspections for health and safety; introduce a registration scheme for rooming house managers involving a fit and proper person test; simplify the statement of rights and duties to make it more accessible to the often very vulnerable people

who end up in rooming houses; undertake periodic sweeps to investigate compliance with and breaches of tenancy law, such as demanding extra money above and beyond the bond; increase outreach activity to find and assist people — the truth is that our housing agencies know where these people are because they refer them to these houses, so outreach should not be difficult — and introduce mandatory minimum standards for the use of government financial assistance. The government should consider the same measures for the caravan park sector, which is governed under a different section of this same bill.

Hanover Welfare Services also recently conducted some focus groups. It asked the public at large about its perceptions of homelessness. I will quote the *Age* article I referred to earlier, which is headed ‘The forgotten people’. The article states:

The research questions were formulated to gauge people’s perceptions of who the homeless are, why they become homeless and who should be responsible for providing solutions.

The results weren’t surprising. As expected, we encountered a high degree of community ignorance. But more significantly, 74 per cent of those surveyed believed that homeless people had only themselves to blame for their plight: they had poor characters, they made stupid choices.

The writer, Chris Middendorp, states further in the article:

Over the years, I have been astonished by how frequently those outside the welfare sector have asked me why people allow themselves to become homeless. As if societal factors play no part.

As if government funding plays no part, I might add. He states further:

My time working in the homeless persons’ services has taught me that overwhelmingly homelessness is brought about by factors outside people’s control. It’s not an alternative lifestyle ...

He also questioned:

But where are the objections, the protests, the clamorous outcries? Homelessness wasn’t a prominent issue in the recent state election. In fact, it wasn’t even a minor issue.

I know what the government is going to say — it is going to say it is doing a lot in housing. It will say it is spending a million dollars on this or a million dollars on that. I still think a million dollars is a lot of money; anything with a million on the end sounds fairly significant, but it is not of course enough to address this issue.

The government has issued a document called *Towards an Integrated Victorian Housing Strategy — A Framework to Address Our Future Housing Challenges*, and, as is the way with so many government strategy documents — it is not a function of any flavour of government; they all seem to be that way — it offers a range of different investigation studies, hopes, dreams, changes to policies and so forth but nothing that says it will build another house. It has nothing that will get a cement truck moving to build more housing. The government often talks about how much new public housing or social housing it is building, but it does not often trumpet the net amount of housing increase that leads to, although it was given a going over in the Public Accounts and Estimates Committee recently.

This government also points out that it spends more money than it has to under the commonwealth-state housing agreement. It frequently says, ‘Blame the feds’. There is a lot of discussion at the moment about which level of government should be running which service — we are batting health and education back and forth. On a range of questions the federal government is pulling more towards itself, and the state governments are resisting, but here we have the opposite. The state government will point to extra money above and beyond what is agreed to in the commonwealth-state housing agreement, but it is worth noting that the Office of Housing — and this is not transparent in the budget papers — continues to repay state debt under an agreement that was set up under former Treasurer Stockdale, so the headline amount of extra money it is spending is in some years — by arrangement with the Treasurer — netted out by some kind of indenture. I do not know how the Office of Housing has got itself into this, but it pays back debt to reduce the headline amount.

The government is introducing this bill to bring into reality an election promise which is set out in the document I referred to earlier. Under the heading ‘Funding overview’ in its 2006 election policy document *Housing Affordability — When It Matters* the government promises a first home bonus amounting to \$234 million over five years and stamp duty cuts of \$305 million over five years — a total cost of \$539 million. At the bottom there is another little line, ‘Affordable housing for low-income families and individuals’ with the figure ‘\$60 million’. It should be very clear that what we are doing here today is setting up priorities. Sixty million dollars cannot be compared to \$539 million; \$539 million is operational, \$60 million is capital and the servicing of that is about \$5 million — we are talking about a 100:1 ratio.

Members opposite who are new will soon be receiving many queries from desperate people wanting assistance for public housing or to find basic services, such as for a bond or to move house. I am a former mayor of a municipality with great need, and I know members will say to themselves at that stage that we let an opportunity go by here this morning. We got the priorities wrong; we could have assisted those in most desperate need in the community rather than just delivering another tax cut to the top two quintiles.

Mr SOMYUREK (South Eastern Metropolitan) — Can I say at the outset that the government rejects the reasoned amendment moved by Mr Barber. As far as the government is concerned, it went to the election some weeks ago with an affordable housing strategy, which the overwhelming majority of the Victorian people endorsed, and we have an obligation to implement that policy.

Mr Barber also referred to public housing, and I understand what he is talking about when he says that public housing queues are an issue of concern. My office is located in Dandenong, and public housing is a real concern there. Mr Barber quoted a figure of 35 000 people on the housing list, and I agree that is far too many people. But let us look at this in the context of the public housing list being about 45 000 when the Bracks government came to office: in the space of seven years we have reduced it by about 10 000 people. The problem is not totally fixed, but certainly we are trending in the right direction.

The underlying objective of the bill is to improve the lives of Victorians by reforming two key areas of fundamental importance to not only the lives of Victorians but also the life of any citizen of any country in the world — housing affordability and employment. This bill proposes to improve the lives of Victorians by cutting duty, increasing the first home owner grant and cutting payroll tax.

Part 1 of the bill outlines its purpose which is:

- (a) to amend the Duties Act 2000 and the First Home Owner Grant Act 2000 to improve housing affordability;
- (b) to amend the Pay-roll Tax Act 1971 to bring forward pay-roll tax cuts.

Parts 2 and 3 contain amendments that are designed to make housing more affordable for Victorians.

Before I discuss each part in more detail I would like to say a few words about housing affordability in general. The Bracks government is cognisant, and I am sure Mr Barber is cognisant, of the fact that housing

affordability is not just a state issue; in fact it is more a federal issue because it involves monetary policy by way of interest rates. Interest rates are a sensitive issue in the electorate, and to its credit the Howard government — —

Mrs Coote interjected.

Mr SOMYUREK — I am giving the Howard government some credit here! It fully exploited the interest issue in 2004. It ran a scare campaign and achieved a strong victory. Of course that sort of campaign gets traction out in the electorate, because the folk in the suburbs are highly geared and very sensitive to interest rate rises. The fact that the federal Howard government subsequently presided over increases in interest rates is probably not forgotten by these people, especially people in places like Casey, Narre Warren North, Narre Warren South, Berwick and Fountain Gate in the south-eastern growth corridor, which my electorate encompasses. These people are some of the mostly highly geared people in the country. We have the highest rate of people with mortgages in Australia. These people were duped by the federal government, and they have not forgotten it.

I want to explain what the interest rate increases mean. They mean that we pay five times the interest the Japanese pay and twice the interest Europeans and Americans pay. Why should an Australian taxpayer pay five times the interest that a Japanese taxpayer is paying? Why should an Australian taxpayer pay twice the interest that a European or an American taxpayer is paying? It also means that the housing affordability situation has deteriorated disastrously. Since 1996 housing repayments have increased by 67 per cent. Why has that happened? It is predominantly because of federal government-induced policies. These policy issues include trade deficits, the failure to address the nation's infrastructure, the failure to invest in the skills of the Australian work force and indiscriminate use of fiscal policy. Who can forget the stimulus to the Australian economy of \$66 billion just before the last federal election, which was a pure indulgence and an election bribe? It really did not help housing affordability in this country one iota.

With no national leadership in the area of housing affordability, the Bracks government is showing some leadership on the issue. We are being proactive. We are doing our best within the very limited policy instruments available to us to make housing more affordable to the people of Victoria, and I am sure Mr Barber will understand that. The Bracks government continues to push ahead with its commitment to make housing more affordable for

Victorians. It is driven by a conviction that every Victorian should have a decent place to live, and Victorian families should be given an opportunity to own their first homes sooner in life by being given targeted assistance.

I will now speak specifically about part 2 of the bill, which amends the Duties Act 2000 to bring about a reduction in duty payable on eligible property purchased as a principal place of residence. The duty payable will be reduced as follows: an extension of the \$3000 first home buyer bonus for buyers of existing properties until June 2009 — that is from June 2007 — and an increase in the bonus to \$5000 for all first home buyers of newly built homes, from January 2007. The bonus is available in both forms for properties valued at or below \$500 000 and purchased as a principal place of residence. Purchasers will have a choice between a reduction in conveyancing duty and the first home buyer bonus.

Part 3 of the bill amends the First Home Owner Grant Act 2000 to reflect the increased grant of \$5000 for a first home purchased between 1 January 2007 and 30 June 2009 where that home is a new residential premise.

There is a lot more in this bill. Other members on the government side will go through the bill in more specific detail. Members opposite have delineated the various cuts to duty and increases in the home mortgage rates. I will not go through all of that again.

I will conclude with part 4 of the bill, which deals with payroll tax cuts. I am proud to say that this government has again reduced payroll tax. These provisions bring forward from 1 July 2007 to 1 January 2007 the previously announced rate reduction from 5.15 per cent to 5.05 per cent. About 20 000 Victorian employers will benefit from this cut. The payroll tax relief is estimated at somewhere around \$26 million. I note that the Victorian Employers Chamber of Commerce and Industry has supported bringing forward the reduction.

With that, I commend the bill to the house.

Mr D. DAVIS (Southern Metropolitan) — I take this opportunity, Deputy President, to congratulate you on your election.

I am pleased to make a contribution to this debate on the State Taxation Legislation Amendment (Housing Affordability) Bill. While the government chooses to call this a housing affordability bill, the truth is that under this government tax has gone up in almost every category.

Mr Lenders — There are six less taxes.

Mr D. DAVIS — No, there are not.

Mr Lenders interjected.

Mr D. DAVIS — Tell me about the gaming machine levy — that is one. Tell me about the payroll tax on fringe benefits — that is two. Tell me about the payroll tax on apprentices and trainees — that is three. Tell me about the stamp duty on mortgage debentures — four. Tell me about the stamp duty extensions on land-holding bodies — five. Tell me about the payroll tax on employment agencies — six. Tell me about the water tax dividends the government takes — seven. Tell me about the parking tax — eight. Tell me about the land tax on trusts — nine. Tell me about the house block services tax.

Mr Lenders — Tell me about income tax, company tax.

Mr D. DAVIS — My point is that this government has taken every opportunity to widen the tax base to scoop in more tax. This is a dishonest Treasurer, a Treasurer who has through interpretative means sought to widen the tax base and increase the tax revenues coming into this state. It is very clear on key issues like housing affordability that Victoria has the highest stamp duty — —

Mr Lenders — And you want to slash services again.

Mr D. DAVIS — I do not want to slash services, I just do not want this government introducing additional taxes. At least 10 additional taxes have been introduced by this government. The government has widened the tax base for these purposes. The minister can lead with his chin if he wants but his government is not lowering the tax burden, it is increasing the tax burden at every turn.

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! Mr Davis, without assistance.

Mr D. DAVIS — Victorian industry needs to be competitive not only with the other states in Australia but also internationally. We are in a very competitive international environment. The shadow minister for manufacturing and exports, Mr Dalla-Riva, would make the point that manufacturing industries face real challenges. Every time additional tax burdens are placed on industry by this government it makes it more

difficult for our manufacturing industries to compete overseas.

Mr Thornley interjected.

Mr D. DAVIS — I would agree with the member about a skilled work force, but explain the \$60 million that is collected on payroll tax on apprentices and trainees.

The DEPUTY PRESIDENT — Order! One of the protocols of this place is that members can only speak from their places. That includes interjections. However, I also indicate that interjections are unruly and not part of Parliament's protocols. Mr Davis, to proceed without assistance.

Mr D. DAVIS — Through the Chair, I take up the interjection from Mr Thornley while out of his place. He says training and skills are critically important. I agree with him. Then the question is: why has this government chosen to widen the payroll tax base in the way it has recently? If you also ask — —

Mr Thornley — We have dropped the rates. Three times we have dropped the rates.

Mr D. DAVIS — But more is collected. These rates are not competitive internationally. The fact is the government is taxing apprentices and trainees. The fact is the government has imposed payroll tax on fringe benefits. More is collected at every turn.

I might read some of these figures into the record. It would be well worthwhile putting them on the record. It is clear that in the last year of the Kennett government — that is, 1998–99 — land tax saw \$378 million collected. The estimates in the 2006–07 budget show \$748 million in land tax, an increase of \$370 million or 98 per cent. Let me make it clear on land tax: the economy has not doubled in size. The government has just used bracket creep to crucify people, to crucify small business, to crucify investors and to crucify retirees on things like land tax.

If members look at key taxes such as stamp duty, they can see that \$1 billion was collected in 1998–99 and now the government's take is well over \$2 billion. I concede that there is an unpredictability with stamp duty, with the movements of the economy and property sales, but nonetheless this is a massive increase — more than 130 per cent over the period of this government. Even looking at police fines, they have gone from \$99 million in 1998–99 to \$416 million — —

An honourable member interjected.

Mr D. DAVIS — We certainly support law and order but members of the opposition do not support outrageous revenue collection that is not directed at achieving law and order but at lining the Treasurer's pocket.

Looking at insurance taxes shows massive increases, as there have been in motor vehicle and gambling taxes; in almost any area that members care to look at this government has higher taxes. My specific purpose today is to draw the attention of the house to the Treasurer's technique of, through interpretative changes, widening — —

Mr Thornley interjected.

Mr D. DAVIS — It is not a clever technique, Mr Thornley, to widen in a slippery and sneaky way the collection techniques. Those matters should come back to this Parliament for decision. These are points that should be made in the Parliament. If the Treasurer wants to increase taxes, there is a very direct way for him to do so: he brings these matters to the Parliament. But what he does is bring a tiny crib on reduction here while at the same time over there he is widening the net in every possible way. The truth is that small business in this state is being crucified, the state is becoming increasingly uncompetitive, our growth rates are not what they should be, and employment is not what it should be.

My purpose in contributing to debate on this bill is to flag this technique that the Treasurer is using: through interpretive means widening the tax base — and 10 or 11 effective new taxes have been introduced by this Treasurer through simple interpretive changes of that type. I make the point that some of those taxes hit training and some hit payroll in other ways. A whole series of issues need to be dealt with. Small business needs to be protected from these stealth-like changes. Members need to make sure that in future proposed changes come to this Parliament.

On the amendment moved by the Greens, there is a case for closer examination of a number of these issues, but given that there is a reduction — a mild or very modest reduction — in tax in this bill — —

Mr Guy — Minor.

Mr D. DAVIS — There is a 'minor' reduction, to use Mr Guy's word. The opposition would not want to stand in the way of any reduction, however modest. However, I have to say that there has not been an overall reduction in tax burden under this government; there has been a massive increase. People should be under no illusions about that massive increase.

Mr Thornley interjected.

Mr D. DAVIS — Mr Thornley, there has been a increase from \$378 million to \$748 million, which amounts to a \$370 million or 98 per cent increase, in land tax under this government.

Honourable members interjecting.

Mr D. DAVIS — I'm just telling you: I have to say there has been a massive increase in land tax.

Mr Thornley interjected.

Mr D. DAVIS — The rumours abound about Mr Thornley being destined for the seat of Broadmeadows when the Treasurer steps out part way through this Parliament. If he does, the community should know that his technique is to support these sorts of tax increases and this stealth-like widening of the tax base and greater collections that this government has put in place. As future tax bills come to this chamber my task is to monitor, on behalf of industry and small business, their impact. I put the government on notice now, just a few days before Christmas, that next year members of the opposition will be asking questions in the committee stages and will be wanting detailed responses — —

Mr Viney interjected.

Mr D. DAVIS — Indeed, this Parliament has to become more transparent and ministers in this chamber have to actually answer detailed questions. Tax bills come to the Parliament with reasonable regularity, as the Treasurer tries to widen the tax base at every opportunity. We need to get to the bottom of exactly where those tax hits are landing, and we need to get the facts on the table. I will seek to put those facts on the table.

Ms MIKAKOS (Northern Metropolitan) — Deputy President, I am very pleased to be able to make a contribution to debate on this bill. I begin by also congratulating you on your appointment as Deputy President of this chamber.

This is a very important debate. As has been indicated, this bill implements a very important policy that the government flagged during the course of the election campaign. As members would be aware, the cuts that are made by the bill are intended to come into effect on 1 January next year, and that is why we are in effect expediting the debate and the passage of the bill through the Parliament this week. The government is appreciative of the fact that the opposition and The Nationals have indicated they will not oppose the bill

and do not have a problem with its passage through the two chambers this week.

I am disappointed that with debate on the first bill of this Parliament in this chamber, the Greens have decided to take the approach they have adopted. Later I will come to some of the things Mr Barber said during his contribution. It is disappointing that the Greens are not respecting the mandate this government has to implement its election policies. The Greens must remember that the Labor Party is the largest party represented in this chamber and it forms government in the other house. The Labor Party put out a clear policy in the election campaign; the Greens should respect it and the wishes of the Victorian people that these tax cuts go through this place this week.

The Bracks Labor government has always prided itself on its economic and financial responsibility and ensuring the business and investment environment and the taxation regime in this state are conducive to further employment and economic growth. I am very proud that we have been in government for the last seven years during a significant period of growth for this state and during a time of great prosperity for the vast majority of Victoria's citizens. That is not to say we ignore those people who have not shared in that prosperity or the needs of people for things such as social housing. I will come to that later.

Early in his contribution Mr Rich-Phillips talked about things such as debt levels during the Cain and Kirner years. I think it is about time that Mr Rich-Phillips got over the Cain and Kirner years. He was probably still in school, as I was, during that time. If he looked at the government's record for the last seven years he would recall that we have always had a budget surplus and a period of strong economic growth in this state.

I refer members to page 8 of the *Budget Update 2006–07*, which was tabled in this house a couple of days ago:

In 2006–07, Victoria's tax ratio is projected to fall to 4.57 per cent, an estimated 0.40 percentage points (\$1.0 billion) below New South Wales and around the Australian average. Over the forward estimates period, Victoria's taxation as a share of nominal GSP is forecast to decline further to be 4.30 per cent of nominal GSP by 2009–10.

Page 2 of that report says:

After allowing for known future tax policy changes in all states, Victoria's taxes as a share of GSP are set to be around the Australian average.

Since 2000–01 total revenue in Victoria — that is, by 31.8 per cent — has grown less than growth in the Victorian economy — that is, by 41.2 per cent — and much less than the growth in commonwealth revenue,

which was 43.2 per cent. It has been interesting to hear members of the Liberal Party talking about levels of state taxation while at the same time ignoring the huge increase in the tax burden at the commonwealth level during the time John Howard has been Prime Minister.

Mr Vogels — Does that include the GST?

Ms MIKAKOS — I am happy to take up the issue of GST, as Mr Vogels interjected. I know a number of members referred to that issue during their inaugural speeches. It is important that we as Victorian parliamentarians remember that the state government receives only 86 cents of every \$1 that Victorians pay in GST. Victorians pay around \$1.4 billion more in GST than the state receives, so we subsidise \$270 for every man, woman and child in the other states. It is a bit of a furphy for members of the opposition to say, as they do constantly, that we are reaping some sort of bonanza from GST when it is clearly the case that we are not.

I will refer quickly to the issues that Mr David Davis referred to about tax in this state. The Bracks government has an outstanding record on tax reform. We have gone from having the second-highest number of taxes during the Kennett years to the second-lowest number of taxes. We have abolished a number of taxes including duty on non-residential leases, financial institutions duty, duty on quoted marketable securities, duty on unquoted marketable securities, the bank account debits tax, and my favourite, which I am very happy that we have abolished — the duty on mortgages. I could never understand why we imposed taxation on people who did not have money, who had to go and borrow money from a bank but then pay tax on top of that. I am happy that all of those taxes have been abolished.

We have also had significant cuts in payroll tax amounting to 13 per cent. Victoria's rate is now the second-lowest in Australia. In this bill we are proposing further cuts to payroll tax. That is important because payroll tax is a very strange tax in that we tax on employment. It is important that we have a competitive payroll tax regime in this state. The cuts we have made to payroll tax and the other policies we have put in place have led to the lowest unemployment rate in this state in 16 years. We have also cut land tax by over \$2 billion; we have made very significant cuts in that regard.

We will also be abolishing business rental duty on 1 January 2007. As well as that a maternity leave exemption is being introduced in relation to payroll tax, effective from 2003. So in my view we have a very

strong record of delivering cuts and reforms to taxation that are of benefit to business, employment and job creation in this state, and also of benefit to families.

I want to comment on the issue of families because I was quite disturbed that Mr Barber should suggest that the people who were going to benefit from the cuts to stamp duty and the extension of the first home buyers bonus are in some way affluent Victorians. I contend very strongly that they are not. In my Northern Metropolitan Region electorate I have seen housing prices increase quite considerably over the last decade or so, and I know that it is becoming increasingly difficult for first home buyers, particularly young people, to get into the housing market. I am personally aware of a number of instances where people have had to resort to buying their first home together with their parents because they just cannot afford to get into the property market. They are not able to find a lender who is prepared to lend them the level of funds they need to get into the housing market. So I think that the cuts in the stamp duty rate — and we are talking about the lower end of the housing market — are going to benefit Victorian families and low-income earners, first home buyers, young people and young families trying to get into the housing market for the first time.

We are offering targeted cuts. We have not said as a government that we are going to introduce across-the-board tax cuts. We are offering targeted cuts that are geared towards the lower end of the market. The biggest cut — from 6 per cent to 5 per cent in the stamp duty conveyance rate — relates to properties valued at between \$115 000 and \$400 000, and that is a very large proportion of properties in the northern parts of my electorate. Sadly, the southern parts of the Northern Metropolitan Region are really way outside the scope of first home buyers these days.

I reject the assertion that was made by Mr Barber, and I think that Victorian families would be very much looking forward to these cuts. I want to tell Mr Barber, who is now one of my fellow representatives of the Northern Metropolitan Region, that during the course of the election campaign a number of constituents who had heard about these proposed tax cuts came into my office wanting further information as to when they were going to come into effect. One young man who came in with his father said that he was going to explore the housing market in the local area, but he was going to postpone his purchase until after 1 January 2007 so that he could have the benefit of this tax cut.

I think it is irresponsible to be wishing to defer a tax cut that was clearly flagged during the course of the election campaign — a tax cut that will benefit many

struggling families and young people who are trying to get into the housing market. The Greens need to think through carefully the position they take on future legislation before coming into the house and wanting to introduce deferral motions on legislation that is clearly implementing an election policy we took to the Victorian people during the last election.

As I said, I recognise and acknowledge that not everyone has shared in the prosperity of the last decade or so, and it is unfortunate that there are, in my view, far too many people still on the public housing waiting lists. However, this government has done more than any previous government in relation to that issue. Fewer families are now waiting for public housing because the Bracks government has put more than \$1.3 billion into housing assistance since it has come into office. This has meant that waiting lists have dropped by 14 per cent since the government was elected, but I agree that we can and should be doing more in that area. I want to indicate to the house that in the *Housing Affordability* policy statement we took to the election we have made a number of commitments in relation to social housing in this state. We have specifically committed to providing \$60 million to expand the availability of social housing for low-income families and individuals to rent.

In relation to the issue Mr Barber flagged about rooming houses, I want to inform him that the previous Minister for Housing, Ms Broad, had publicly said that the government would legislate to align the definition of a rooming house in the Residential Tenancies Act with the definition in the Health Act and would increase the level of compliance and the level of enforcement activity by Consumer Affairs Victoria. The Tenants Union of Victoria has been very happy with those announcements.

I urge the Greens to reconsider their reasoned amendment — members of the government certainly will be opposing it — and I urge all members to support this very important piece of legislation in the house today.

Mr ATKINSON (Eastern Metropolitan) — I say at the outset that I am rather bemused by the plea by Ms Mikakos that the halcyon days of the Cain and Kirner governments not be mentioned by this side of the house.

Ms Mikakos — Get over it. It was a long time ago.

Mr ATKINSON — Indeed you did say, ‘Get over it’, and you did say it was a long time ago, and could I suggest that that is a view that we also share when you

talk about many of the aspects of the Kennett government, because that was also a long time ago. That was also a government that has to be seen in a very different context. Part of the context of many of the things the Kennett government did related to the difficulties that beset the state as a result of policies, particularly the financial abandon, of the Cain and Kirner governments.

It is in that context that many decisions were made that members on this side of politics, including Mr Kennett, the former Premier, and Mr Stockdale, the former Treasurer, preferred not to have made. The Kennett government was forced to make decisions and rescue Victoria. The Kennett government’s legacy to the Bracks government when it took office was a \$2 billion surplus in the financial year ending June 1999 and a \$1.6 billion surplus in the financial year ending June 2000 which were good kick-starts that funded the policies that this government took to the elections of 1999 and 2002, and subsequently pushed.

We acknowledge many of the things this government has done. We acknowledge the fact that it has learnt some financial lessons from previous periods. I am not one to dwell on history, be it the eras of the Cain and Kirner or Kennett governments, but what I say to members of this house is that this government has been extraordinarily fortunate in terms of the financial tide it has experienced, which was initially courtesy of the previous government but subsequently because of GST revenues and a buoyant state economy.

The government has claimed much credit for this economy, but in reality it is the result of the economic performance of the federal government. This government has a habit of taking credit for many things, but spurns all the things that look like bad news. The reality is that governments need to take responsibility of the bad as well as the good. If the government did that, there would be some better policies down the track in a number of areas.

I was also intrigued by Ms Mikakos’s comment about all of the taxes that have been removed by this government and what a great achievement that has been. But most of the taxes that have been removed were the ones that were required to be removed as part of the GST agreement. There was no great policy initiative by this government in respect of removing those taxes. It was part of an agreement that was struck between all of the states and territories and the federal government. I welcome the fact that those taxes have been removed. I also welcome the fact that this government entered into a review of business taxes shortly after it was elected. But I lament that that

business tax review did not go anywhere near far enough.

In regard to this legislation, it is obvious that no-one would vote against tax cuts. I am sure that not even the Greens at the end of the day — notwithstanding the reasoned amendments — would be prepared to actually knock this legislation off and vote against it. But the reality is that this legislation does not go anywhere near far enough. At best it ought to be seen as a first step.

I look particularly at the payroll tax concessions. The government has made a rather spurious argument that it has given some 20 000 employers, according to Mr Somyurek, some sort of bonus on payroll tax. This is one of the great illusions which is up there with David Copperfield's best performances. Mr Pakula should know that this is up with Shane Warne's greatest spin bowling.

The reality is that this payroll tax change in this legislation is simply a reduced opportunity cost for the government in terms of additional revenues that it would have generated. It is not a saving to businesses. There will be but a handful of businesses that will actually have a real reduction in their payroll tax remit to this state government in this financial year. The reason is that the percentage increase in the employers' wages bills will actually wipe out the very concession that has been made in this legislation. In other words, while there is a press release in this, there is no real gain to business.

I say this to the Victorian Employers Chamber of Commerce and Industry (VECCI): it ought to get real. It ought to stop being cheerleaders for this government. It ought to realise that the money it is paid by this government to deliver services is actually compromising its advocacy on behalf of employers. It ought to realise that in fact it has a real duty to employers to analyse this sort of legislation accurately and to point out to those employers what it really means, because the reality is that this legislation will not deliver payroll tax benefits— there will be no cuts to the actual payroll tax paid by businesses in this legislation.

An honourable member — It's not real money.

Mr ATKINSON — It's not real money. It is simply a reduction in what VECCI might have had to pay if the percentage had continued at the previous level. It is a very different position. The old saying is 'Lies, damn lies and statistics'. We can probably add a fourth factor to that saying, which would be 'government estimates'. Government estimates have an interesting way of

clawing back the very benefits that they espouse in terms of press releases.

In terms of this legislation, I am fascinated by the government's mid-term review of its budget, which has indicated a continuing quite robust growth rate for Victoria, albeit a reduced growth rate from when it struck the original budget in May. I note that the ANZ Bank chief economist, Saul Eslake, has said it is implausible that Victoria would perform better than the national average and better than the national figures that have also been released by the federal government given the circumstances in Victoria.

The government ought to explain how the state is going to do so well going forward, given the ravages of the bushfires. Our hearts are with all of those people who are fighting the bushfires and those who face the consequences of those bushfires, not just directly in terms of the impact on properties, but also many business depend on those people who have been directly affected by those bushfires for their income and livelihoods. There is going to be a significant impact on our state economy. That comes on top of the drought. During the election campaign Ms Lovell, a number of members and I held a series of meetings in northern Victoria. The new member for the Northern Victoria Region, Mrs Petrovich, attended some of those meetings as well. We met with businesses that will be considering closing their doors as a result of the drought. They are not people on farms or rural properties, but the people on farms or rural properties are their customers. The money will stop coming through, and they are not in a position to continue to extend credit to those customers even though they would want to.

We heard from Tatura Milk of one farmer leaving their property every three days. These were not just small properties — some of the farmers who left had quite a few hundred cows. The company is losing one supplier every three days. For the most part those people will never return. The impact on the state's economy is very significant, and I do not think the government has fully recognised that. Some of its forward projections leave much to be desired.

Regarding payroll tax, we need to look at the revenue available to the state: it has climbed from \$19 billion in 1999 to close to \$33 billion now. I would have thought that would give us a significant opportunity to review taxes, and to do the job properly — not to carry out a brief and cursory examination like that previously commissioned by Treasurer Brumby, but rather to look very seriously at taxes.

Payroll tax is one of those taxes that require a serious examination, because one of the points that has been raised with me on a number of occasions is just how ridiculous this tax is in terms of the strike on business. The reality is that it hurts manufacturers. It also hurts businesses like supermarkets, because they have a large number of employees and therefore their payroll is quite high, but their net profit is 2 per cent and their gross profit is about 8 per cent. They are employers of people, and they have a real problem with payroll tax because it is based on the number of employees a business has and the amount of wages necessary to pay those employees. It does not take into account the profitability of the business or its ability to pay.

Coming back to the manufacturing industry, we all rue the fact that we are losing so much of that sector to overseas companies and that Australia is importing so much that we previously made. Taxes like payroll tax have some of their greatest bite in manufacturing industries. A computer firm like that owned by Mr Thornley, a member for Southern Metropolitan District, might make millions upon millions of dollars with relatively few employees and a relatively low wages cost, but a manufacturing business that makes a mere portion of the profits of a computer firm and employs more Australians is penalised for that employment. We need to review this, and we need to do it properly. We do not need to shave off a percentage point here or there for the sake of a press release. We need to look at the impact on our economy of some of these policies and taxes, and we need to make a change on this one.

The Liberal Party will not support the reasoned amendment. This is not because it does not have merit and ought not be debated in full, because it is and should. It is a worthwhile amendment, and the issue of affordability of housing is a very serious one, as is the issue of homelessness. Incidentally, homelessness is often linked to policies that have seen the deinstitutionalisation of many people. We have been happy to bundle people out — in particular people with mental illnesses, and in some cases people with other disabilities — and claim credit for deinstitutionalising them. However, in many cases we have failed those people because we have not replaced those institutional settings with adequate settings in the community. It is a real problem. Crime is very often committed by people who are just desperate — people whom we have abandoned in the community, whom we have simply not supported as we ought to.

There are some very real issues regarding the reasoned amendment moved by the Greens. If this amendment had been phrased as an addition to the motion — if that

had been possible — our position might have been different. But given that the proposition is that the meagre benefit apportioned in this legislation to business and first home buyers be delayed, which would have consequences for many businesses and first home buyers, we must reject the reasoned amendment on this occasion. We are not in favour of a delay, although we look forward to a debate on the affordability of housing, because that is a very important issue. Some of the points made by Mr Barber were very relevant.

In terms of the first home buyers grant, it is a great pity that the government has not seized on the initiatives taken by the Liberal Party in its election policies to ensure that people receive a real benefit from investing in property. Home buyers are increasingly faced with governments giving meagre grants and taking more away in clawback.

Mr HALL (Eastern Victoria) (*By leave*) — I thank the house for its indulgence in allowing me to make a comment on the reasoned amendment. Leave was necessary because The Nationals had spoken prior to the moving of the reasoned amendment. Without knowledge of the reasoned amendment, we could not comment on it. When we are expected to vote on the reasoned amendment in just a minute or two, it behoves us to at least have given some explanation as to the decision we make.

During the normal course of events, if an amendment is made to a bill, we have the opportunity in the committee of the whole to make a comment. At the moment standing orders do not allow speakers to make comment on a subsequently moved reasoned amendment. Major parties can overcome that problem by subsequent speakers making comment on the reasoned amendment, as has occurred during the course of this debate. But for those of us who are members of small parties that opportunity is not always easy, because we may not have a subsequent speaker. In Mr Kavanagh's case there would not be a subsequent speaker, and in the case of both the Greens and The Nationals, with small numbers in the chamber, often there will be only one designated speaker on a piece of legislation. So I thank the house for its indulgence in allowing me to make a quick comment on this reasoned amendment.

I congratulate Mr Barber for speaking in a very informative way on the crisis in affordable housing. I think he put forward some very cogent arguments about the need for government to do something about this particular issue. I agree wholeheartedly with the sentiments with which this reasoned amendment has

been put and the arguments Mr Barber used to support it. The fact that we have 35 000 people on waiting lists for public housing is a sad indictment not only of the current government but of a number of governments over the years for not addressing that problem in a more realistic and effective manner.

We all have constituents who have been waiting one, two or three years and sometimes even more to get access to public housing. That issue needs to be addressed. The sentiment of the reasoned amendment calling on the government to table a strategy for how it is going to address the crisis in affordable housing in Victoria is a more than reasonable request. I think most of us in this house — at least those on this side of the chamber — share in the sentiment that the government needs to outline how it is going to address this issue of the crisis in affordable housing. Certainly The Nationals support that, and we would also like to work with others in this chamber to see this issue further addressed and properly explored and explained.

However, modest as they are, some of the provisions in this bill deliver benefits to Victorians, and they come in the area of payroll tax cuts, as Mr Atkinson has said, and benefits for first home buyers. Indeed for people buying housing under the figure of \$400 000 there are some benefits, and I do not think we should delay those benefits, modest as they are, going to a number of Victorians until the government outlines its strategy.

So it is that The Nationals will not be supporting this amendment. What we will be supporting are efforts to make sure that the government at the earliest possible opportunity outlines its strategy for how it is going to address what is, in my mind, a real crisis in affordable housing in Victoria.

Amendment negated.

Motion agreed to.

Read second time.

Third reading

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

That the bill be now read a third time.

In doing so I would like to thank all members for their contributions to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

Sitting suspended 12.34 p.m. until 2.03 p.m.

QUESTIONS WITHOUT NOTICE

Schools: national curriculum

Mr P. DAVIS (Eastern Victoria) — I direct a question without notice to the Minister for Education. I refer the minister to the federal Labor leader Kevin Rudd's plans to create a nationally consistent school curriculum. Does the minister agree with the former Minister for Education and Training, Lynne Kosky, when she said that such plans were 'silly', a 'stupid idea' and 'will not make a beneficial impact to our students'?

Mr LENDERS (Minister for Education) — I thoroughly support the education activities of my predecessor, Lynne Kosky, who led an extraordinary turnaround in Victorian education where a focus on educational outcomes was the no. 1 priority, and who led a very strong campaign within the Labor Party for a policy, which I have the privilege of implementing, of an extraordinary injection of capital into the education system. I support her, and I would be very interested to see the context of the quote the Leader of the Opposition used, because Ms Kosky and I share the same view. We both support, wherever possible and in the interests of this state and the students of this state, harmonisation in the national curriculum area or any other area. Victoria has always led the way in supporting harmonisation. However, we are not about to be in a mad race to the bottom to meet federal minister Julie Bishop's agenda.

We certainly will at any particular time the support harmonisation provided it improves the educational outcomes of Victorian students. Per se harmonisation is good. However, we want to be part of that dialogue so that we know that our students in 1606 government schools and 700 non-government schools have better educational opportunities than their parents did, and ones that will equip them with the skills and training necessary for them to be great citizens in the 21st century in Victoria.

I look forward to the Leader of the Opposition's supplementary question. I will be delighted to answer it, but I can assure him that the Bracks government has led the way. We have in the chamber Mr Thornley, who is parliamentary secretary to the Premier with specific responsibility for the national reform agenda. Premier

Bracks and this government are leading the third wave of national economic reform. We want to have economic reform and build on social capital — and education is a key plank in social capital — because without it we will not make Victoria a better place to live, work and raise a family.

Supplementary question

Mr P. DAVIS (Eastern Victoria) — I am surprised that the minister is unaware of his predecessor's comments with respect to the national agenda for curriculum consistency, and therefore I ask: given that there is, if you like, bipartisan support in the federal Parliament for the need for such curriculum consistency, will the minister admit that this is an indictment of his government's ability to provide students with the quality of education they deserve?

Mr LENDERS (Minister for Education) — If we talk of bipartisanship, I direct the shadow Minister for Education to a document known as the Adelaide declaration on schooling signed by six state and two territory education ministers and by Dr Kemp, the former federal Liberal education minister. The document, among other things, not only talks about harmonising where possible but more importantly about the states as the service deliverers providing the best opportunity for educational outcomes for students and about a curriculum based on that. The Adelaide declaration that Dr Kemp signed and Mrs Bishop appears to have forgotten about is one all jurisdictions are working towards implementing.

We will harmonise where it is in the interests of students. Victoria will lead the way and put in the energy and resources. But it is approaches like the one Mr Thornley is working on with the Premier on the national reform agenda that will deliver for us capital improvements and lead to human capital going up. That is the way to go, and we in unison and in a harmonised voice in this state support that.

Manufacturing: government initiatives

Mr THORNLEY (Southern Metropolitan) — My question is for the Minister for Industry and State Development. The manufacturing industry has long been the cornerstone of the Victorian economy. Can the minister inform the house of the Bracks government's initiatives to secure the future of the industry?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I thank the member for his first question to me, which is on Victoria's manufacturing industry. Today I released a

statement outlining the Bracks government's approach to manufacturing and industry policy, which is available on the web and which will help to further align our industry development focus with the drivers of economic growth.

The Bracks government recognises the importance of manufacturing to the Victorian economy. It accounts for 14 per cent of gross state product, and in 2005–06 it employed 316 200 people. It is a very important industry.

In order to maintain Victoria's competitiveness in this sector, we need a strategic plan for the future which will address the challenges facing the industry. I might say that there are many new challenges that the industry has to face, amongst which is the rise of new competitors in the global economy, the rapid growth of new technology, the increasing importance of environmental sustainability and climate change, global security concerns and changing skill demands from industry.

As a result, in the statement I outline our approach, which is based on four elements: firstly, capitalising on and extending our competitive strengths, our skills base, infrastructure provision, low-cost energy supplies, well-developed and connected regional centres and our attractive physical and cultural environment; secondly, building a highly competitive business environment through low tax structures for business to ensure Victoria's ongoing economic prosperity and the productivity and sophistication of our firms; thirdly, building our transformative capacity to absorb and adapt to new technologies and new situations; and, fourthly, forging global connections to drive business innovation and productivity, generate more highly skilled jobs and maximise opportunities for economic growth.

As part of the statement I have also foreshadowed the release and implementation of a number of manufacturing industry strategies and action plans, including a Victorian manufacturing strategy that will build on the highly successful agenda for new manufacturing, recognising the emerging global and local developments that are so profoundly affecting the manufacturing sector.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — You should talk about reading! You have read just about everything you have ever brought into the house.

Secondly, an automotive manufacturing action plan affirms the Bracks government's commitment to the state's automotive industry, which is at the heart of our

manufacturing capabilities and provides jobs for over 27 000 Victorians. The automotive sector is under pressure, and it is important that we develop an action plan that is able to address its specific set of issues.

Finally, there is the recent defence industry road map, which outlines our future support and collaboration with the Victorian defence sector — and bringing that forward is an important part of our strategy.

When we came to power in 1999 Victoria had the second-highest number of business taxes in Australia. We now have the second lowest, and we are on track to develop our manufacturing sector even further with this recent statement.

Disability services: supported accommodation

Mrs COOTE (Southern Metropolitan) — My question is to the Minister for Community Services, Mr Jennings. There are 65 200 severely and profoundly disabled children and adults living with parents in Victoria. Can the minister explain why the Bracks government believes that any shared accommodation with over six beds constitutes an institution?

Mr JENNINGS (Minister for Community Services) — This may be a technical question, because I spent the best part of 10 or 11 hours in the committee stage of the passage of the Disability Act 2006. As a consequence of having spent that quality time in the Legislation Committee, I know for a fact that it is in accordance with the law which the Parliament introduced during the course of the year.

Fundamentally the answer is: because of the considerations about the service configuration and the range of issues that I have now discussed on three occasions during question time this week, the government provides a range of services — including home-based support and packaged care through residential services — that are primarily provided through community residential units, of which there are over 900 across Victoria. The state of Victoria takes responsibility directly for managing 500 of those units each and every day and has contractual arrangements with 400 providers. That is the mainstream provision of residential care within the disability sector. Beyond that, about 420 people live in congregate care in various forms in a number of centres throughout the state, of which the Colanda centre in Colac is the most prominent but not the only one — Sandhurst and others provide institutional care.

Within these arrangements the primary centre of attention up to this point in time in terms of residential

care has been through the community residential unit sector, and there are circumstances and conditions, including industrial relations circumstances, in terms of human resource management and care issues that relate to providing support in congregate care situations.

In their wisdom the department, the previous minister and the government endorsed a proposal that ended up being enshrined in the Disability Act, as I have outlined to the house, which indicates that for clarity and to provide some degree of certainty to those arrangements — whether they range from industrial relations through to quality-of-care issues — they would best be enshrined in legislation in that way.

Supplementary question

Mrs COOTE (Southern Metropolitan) — I was interested to hear talk about community residential units (CRUs). Why has the Bracks government discontinued funding for new CRUs?

Mr JENNINGS (Minister for Community Services) — I will be generous. Technically I could say that each and every day the state of Victoria provides recurrent funding for ongoing care and services delivered within the CRUs — and we will continue to provide that care. However, regarding what is embedded in the member's question, let me be generous and address the member's concern about the growth within the sector and whether new CRUs will be funded.

For three days in a row now I have discussed this issue in this chamber in a very positive way in terms of provision for the range of support services now and into the future. I have made the commitment to this chamber and to the people of Victoria that I will bring forward proposals in the term of this government to address the sustainability and quality of care issues within the sector. Together we can do a lot of good collaborative work in terms of rising up and meeting the needs of the sector as a whole and most importantly the individual care needs of those with disabilities who require residential support in our communities.

Exports: Australian awards

Mr LEANE (Eastern Metropolitan) — My question is to the Minister for Industry and State Development. As we have heard, the Bracks government has been working and will continue to work to secure the future of industry in Victoria. Can the minister inform the house of any recent successes by Victorian export companies?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I thank the member for his first question in the house. Exports are of course one of the major responsibilities I have. If we can get more trade, export and investment in and from our state then obviously the welfare of Victoria will continue to improve. It is recognised that the total value of Victoria's exports have increased every year for the past six years. The achievements of Victoria's export sector have been recognised at the recent Australian export awards, where Victoria was represented in all 12 award categories. Of the 12 Victorian finalists, 3 Victorian companies went on to win national awards, which is a pretty good achievement.

I have recently written to each of the Victorian companies who were recognised for their exporting achievements, and I want to put the names of those companies on the record of this house. They are Aconex, which provides online information services to the construction industry; the Victoria Racing Club, which hosts the Melbourne Cup carnival, which increasingly has become an international event and pretty important for our economy as well; and the Box Hill Institute, which has been recognised for its work in providing vocational training to approximately 1200 international students from more than 60 companies every year. In itself the education industry is helping to drive our economy and export success.

Since 1999 the efforts of the Victorian government in attracting investment have resulted in \$16 billion of investment being attracted to Victoria and created 40 000 jobs. This has occurred because we have developed a very strong brand — Brand Victoria — which we market overseas and which is based on a set of core values.

We hear sometimes from Prime Minister Howard about Australian values, but let me tell you about the core values that we market. We market core values such as a safe, secure, diverse, sophisticated, creative and innovative place to visit and in which to invest, live, study and work. This is the difference: in Victoria our core values are about reaching out to the rest of the world and outlining to it our diversity and the things we have in common with it in terms of our core values. It is not about trying to exclude the rest of the world and exclude people who have come to this country. That is the difference. And guess what? What will drive business and trade in this country and state is the development of those core values of being outward looking and welcoming, in terms of both trade and cultural development in overseas countries as well as in Victoria.

Planning: St Kilda triangle development

Mr GUY (Northern Metropolitan) — I direct my question without notice to the Minister for Planning. I refer to the 18-months saga that is the St Kilda triangle development. I note that in the course of the tender process no clear title has yet been established, court action from leaseholders is continuing, short-listed bidders have been altered significantly and have submitted non-complying bids, and one of the short-listed bidders rejected was later reinstated. Making matters worse, government representatives told the courts that probity on the tender should have expired in August this year, details of some bids have been leaked and the mayor of the City of Port Phillip, who is a member of the selection committee, made public statements that suggested an inappropriate assessment process. Given this total mess, does the minister endorse the probity of this tender?

Hon. J. M. MADDEN (Minister for Planning) — I welcome the member's question, and I welcome it because we are a government about getting things done and we are also a government about making sure that we rise to the challenges and facilitate projects that need to go ahead. I am very pleased that the Port Phillip Planning Scheme Amendment C36 provides for the St Kilda urban design framework, which is a key component of the framework for the proposed redevelopment of the St Kilda triangle site.

The site currently accommodates the heritage Palais Theatre, the Palace entertainment complex and a public car park. It is a site that has been problematic. It has sat there vacant for many, many years and does not do justice to the precinct and the location of St Kilda and what it offers. It is fundamental to the redevelopment of St Kilda's edge and the interface with the city and the bay that this site be redeveloped. I understand that tenders for the St Kilda triangle project closed on 31 August, and I am informed that each of the short-listed bidders lodged complying bids. I am also informed that as recently as only a week or two ago one of those short-listed bidders was told that it was no longer on the short list.

We look forward to the outcomes of this process because it is a great opportunity to make sure that we get a great outcome for this city, for St Kilda, the residents and local community. No matter what conspiracy theories the opposition has, regardless of any of these issues, I can guarantee that what we will see from the work of the panel involved in this is a tremendous outcome not only for Victoria but for the residents of St Kilda. I am sure that when we see this project taking place and being completed, we will be

very proud of what has been achieved in the community and in the St Kilda region.

Supplementary question

Mr GUY (Northern Metropolitan) — I note the minister's comments on process and further note that the government's legal representatives clearly got it wrong on the issue of probity. Therefore I ask: how bad does basic probity have to be on a tender before the Bracks government takes any action?

Hon. J. M. MADDEN (Minister for Planning) — Whilst the member opposite might have as many conspiracy theories as he would like to provide the chamber — and I am sure he will have plenty more over the next four years — can I say I have had no advice provided to me in relation to any probity problems on this project, and I am pleased that we will see a great outcome for the community. I know the opposition is disappointed and bitter at this cheerful period of the year when goodwill tends to prevail. I can understand why there may not be much goodwill on the other side of the chamber, but I look forward to the goodwill that will prevail from the outcomes of this project in future years.

Manufacturing: government initiatives

Mr EIDEH (Western Metropolitan) — My question is to the Minister for Industry and State Development.

Mr D. Davis — Trade with Syria!

Mr EIDEH — Can the minister advise the house of any recent awards promoted by the Victorian government to showcase Victorian manufacturing?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I thank the member for his first question in the house. The Bracks government recognises the importance of Victoria's manufacturers, and that is one of the reasons why we have taken a number of steps, including the statement that has been put out by me. It is also the reason we have moved to completely restructure the way the department operates and to shift responsibility for skills and training into the Department of Innovation, Industry and Regional Development in order to have a coherent and integrated approach to developing this very important sector. This sector is very important to the Victorian economy.

As I indicated earlier, 14 per cent of our gross domestic product comes from manufacturing and it employs 316 200 people. It contributed \$28.4 billion to our economy over 2005–06 and accounts for 58 per cent of

business expenditure on research and development. That is why I take great pleasure in inviting nominations once again for the Victorian Manufacturing Hall of Fame 2007 from Victoria's outstanding performers in the manufacturing industry.

The hall of fame will demonstrate Victoria's reputation for manufacturing excellence, and I strongly recommend that all interested and suitably qualified companies take the opportunity to have their achievements formally recognised by nominating for induction next year. This is an initiative of the Bracks government that was launched back in June 2001 —

Mr Dalla-Riva interjected.

Hon. T. C. THEOPHANOUS — You might not want to recognise people for the work they have done. You might not want to recognise excellence —

Mr Dalla-Riva interjected.

Hon. T. C. THEOPHANOUS — Maybe you should have excellence awards in the opposition.

The PRESIDENT — Order! Mr Dalla-Riva's interjections are not helpful. The minister, to continue.

Hon. T. C. THEOPHANOUS — The members of the opposition never cease to amaze me. They come in here and every positive initiative, everything that has to do with talking Victoria up, they are not interested in. Everything that has to do with talking Victoria down, they are at the top of the list. That is how they operate. We hear them all the time. It is like Philip Davis talking about David Davis.

Mr P. Davis — If you haven't got something nice to say, don't say it.

Hon. T. C. THEOPHANOUS — That is what you hear — constant criticism, constant talk about treachery, constant bagging of the Victorian economy. It is exactly the same thing as the way Philip Davis bags his shadow minister, David Davis. Good luck to them! Continue to do it to David Davis, but please leave the Australian and Victorian economies to us, because we are interested in positive initiatives.

The manufacturing hall of fame is a very important initiative. Since its inception 68 companies have been included. with an additional 11 honour roll recipients and 3 young manufacturers of the year. They really appreciate these awards. Unlike Mr Dalla-Riva, they are very pleased that the government continues with these awards. I look forward to the awards this year and

being able to welcome new and exciting manufacturing companies into the manufacturing hall of fame.

Mr Viney — On a point of order, President, in the context of Mr Philip Davis saying, ‘If you haven’t got something nice to say, don’t say it’, during Mr Eideh’s question — and he may not have heard the remark because he was asking the question — Mr David Davis interjected across the chamber a comment that reflected on Mr Eideh’s ethnic heritage, and I think he should be asked to withdraw.

The PRESIDENT — Order! Mr Eideh is in fact in the chamber. He may not have heard the comment, if it was made at all. I certainly did not. I do not reflect on Mr Viney’s remarks, insofar as he believes them to be true. However, maybe Mr Davis would like to offer an explanation himself before I make a ruling.

Hon. T. C. THEOPHANOUS — On a point of order, President, I do not know whether Mr David Davis was reflecting on the honourable member, but the comment, as I understood it, was, ‘What about trade with Syria?’, which was a kind of backhanded way of having a shot at the honourable member, and was directed at him because of his — —

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

Mr Leane interjected.

The PRESIDENT — Order! Mr Leane! Given what I have heard so far, there is no point of order. We will continue.

Schools: selective entry

Mr P. DAVIS (Eastern Victoria) — I direct a question without notice to the Minister for Education. I refer the minister to Labor’s election commitment to open two new selective entry academic schools immediately following the Liberal Party’s commitment to open four new selective entry schools.

Given Labor’s long-held objection to selective entry schools because, and I quote, they ‘alienate other schools and send a message to the students who miss out on entry, and their parents, that they are not good enough’, and further that ‘it would be irresponsible to accept that some schools cannot do their best by their students’, I therefore ask: does the minister admit that the Labor Party’s so-called beliefs are meaningless rhetoric and that it is willing to sacrifice any belief for electoral advantage?

Mr LENDERS (Minister for Education) — Firstly, I will not respond to the quote Mr Philip Davis is using because it was not attributed to anyone, and for all I know it may have been one of the rantings of one of the new members of Parliament on the other side.

Mr Dalla-Riva interjected.

Mr LENDERS — Yes, the rantings of Mr Finn. But nevertheless I find it also extraordinary that Mr Philip Davis talks about principles and what we believe in. This document is what the Liberal Party believes in. It fits onto an A4 sheet of paper, and I am happy to table it for Mr Dalla-Riva, who is interjecting. He might learn something of what his party believes in — a single A4 sheet of paper. Let us not talk about beliefs. The Labor Party has a history going back to 1891.

On the issue of selective entry schools, let us leave aside these types of documents. Let us talk about what the election platform is. We have gone through, on 25 November, an election where parties go to the community with a thing called a platform, and out of that platform they have specific policies. The Labor Party went to the community on 25 November with a policy that included the establishment of two selective entry schools — one in North Melbourne and one in Mr Leane and Mr Tee’s electorate somewhere in the vicinity of Ringwood on a site to be finally determined in that general area. We have gone to the people with a policy. The policy was endorsed, or the Labor Party was endorsed. Fifty-four and a half per cent of the community, on a two-party preferred basis, voted for the Labor Party. We see that as a ringing endorsement of the policy. We are proud of the policy. The Liberal Party may well have said it supports four selective entry schools. Good on it. Hopefully it will support the two that we are proposing with great enthusiasm, and hopefully it will also support the injection of capital into our school system of \$1.9 billion over 10 years, plus the money we have already committed over the last seven years, which I might add is three times the average annual amount expended under the Kennett government.

So yes, we will establish two selective entry schools; yes, we think they are appropriate as one more tool in the array of educational opportunities for students; and yes, we are proud of the policy. That might be different from policies we may at one stage have had, but we went to the electorate on a policy. We will stick to that policy, and we will deliver that policy so that Victoria becomes a much better place to live, work and raise a family.

Supplementary question

Mr P. DAVIS (Eastern Victoria) — I thank the minister for his answer and note that he has not even bothered to read the policy that was handed down by the former minister for education, Lynne Kosky, who indeed was the author of the comments I quoted. I make the point with respect to the minister's comments that this is an admission that despite Labor's long-held opposition to selective entry schools, the Labor Party is now incapable of providing a high-quality mainstream education through which our students can excel. Clearly the minister needs to advise the house why the Labor Party has changed the policy of opposing selective entry schools which it has stood by for some decades and now proposes to do something else.

Mr LENDERS (Minister for Education) — Parties will change policies. The Liberal Party, for example, has done more somersaults on the Racial and Religious Tolerance Act than I think any acrobat has ever done. The Liberal Party once supported Telstra as a state-owned enterprise and now it has privatised it. Parties are entitled to change their views. We went into an election on 25 November with a specific policy to establish two selective entry schools. We went in with the policy, and went forward with the policy saying we would implement it if we got elected.

We went to the community and said, 'This is our policy. Judge us on our policy', and we were elected. We chose to carry it out, and we will go forward. Parties change policies. I recall that the Prime Minister has done more backflips on the GST than he has done on Telstra or than the Liberal Party has done on the Racial and Religious Tolerance Act. We look forward to establishing the selective entry schools, and in giving greater opportunities for families and students. I look forward to the day that we can open them and students can get on with studying in that environment.

Wind energy: Bald Hills

Ms TIERNEY (Western Victoria) — My question is to the Minister for Planning. The federal minister for the environment has finally approved the long-delayed Bald Hills wind farm project in Gippsland. He has ultimately delayed a project that will deliver definitive environmental benefits for Victoria. I ask the minister to inform the house of what action the Bracks government has taken to progress this project, despite the federal government's lack of commitment to renewable energy.

Hon. J. M. MADDEN (Minister for Planning) — I thank Ms Tierney for her question and her particular

interest in this issue. This is a case of a yellow-bellied minister hiding behind an orange-bellied parrot — that is what this is all about at the end of the day. Furthermore, on the day on which he recants his decision, he has to hide behind a red-bellied Santa Claus. Not only has he announced it on the eve of Christmas but when the media try to get a statement from him on this issue, do members know where he is?

He is with another big bird; he is on a flight from Sydney or Canberra — or wherever he is today — to Perth. The media will not be able to access him until 5 o'clock tonight. Funnily enough, the media deadlines for television tonight will not be able to pick him up. He will have no comment to make on the issue. This reflects the inconsistency of the federal minister for the environment, Senator Campbell.

I want to congratulate my colleague and portfolio predecessor in the other place, Minister Hulls, because he had the good sense to take it up to Minister Campbell on this matter. Whilst the opposition has various personal opinions on wind farms, I assume Mr Philip Davis would be very pleased with the announcement by Minister Campbell because some years ago he was out there with Dean Miles supporting wind farms. It is pleasing to know that he can change his mind on issues. It is pleasing to know that the opposition is consistently inconsistent, so that can be guaranteed.

What is particularly impressive is that, after many months on this issue, Senator Campbell has finally come around on this. This is a testament to good science and good planning processes, even though he has not been able to appreciate that for some months.

Senator Campbell has finally approved the Bald Hills wind farm project, which will deliver enormous environmental benefits. I am informed that it will displace somewhere in the order of 435 000 tonnes of greenhouse gas each year. It will supply 63 000 houses with green electricity, and it will be the equivalent of planting 600 000 trees each year. We can only hope that Senator Campbell has learnt a valuable lesson and in future will focus on the environment, good process, good science and ultimately the wellbeing of the nation.

One of the critical issues about planning is certainty. The one thing I am certain of is that the federal government gives no certainty when it comes to planning issues with the environment minister that they have now. I look forward to making sure that we continue with good processes, and we hope in the future that the federal government understands what

good process is so we can get better planning outcomes in this state.

Schools: trade wings

Mr HALL (Eastern Victoria) — My question without notice is directed to the Leader of the Government in his capacity as Minister for Education. I refer the minister to the government's \$50 million election promise that will see — and I use the government's own words — a 'new state-of-the-art trade wing' built at 30 government secondary colleges. I ask the minister: have these 30 colleges been identified and, if so, would the minister advise the house of them? If not, would he advise the house of the selection process?

Mr LENDERS (Minister for Education) — I thank Mr Hall for his question. I certainly have not seen a list of the locations of the 30 trade wings. There may well be one, and I will certainly share it with Mr Hall if there is one. There have been a number of election promises made about individual schools and individual projects, and obviously my task over January will be to reconcile those so that I have in my own mind an idea of where they all are so we can honour every promise we have made. Clearly the main objective in any location of schools is the educational outcomes, as I have said in this house before.

We will look at two things. Firstly, we want every secondary college in the state to have those technical skills that are necessary for those families who choose them to be available, above and beyond the Victorian certificate of applied learning and other options that are available for them. Clearly, that will be one objective. Secondly, in consultation with communities we want to get the best options available so that we can get that in place. As I advised the house yesterday in response to a question from Mr Somyurek about the Dandenong schools and that particular model of how we see education going forward, we are identifying educational outcomes.

Honourable members interjecting.

Mr LENDERS — We are getting some truly inane interjections from Mr Atkinson, Mr Guy and others on these issues. Education is absolutely a critical priority. We as a community need a focus in place as to what we want to achieve and what we want for our young people, for the students — and that is our absolute no. 1 focus. As a former teacher, Mr Hall will know, as will Mrs Peulich, Mr Kavanagh, Mr Elasmarr and the many other former teachers in this place, that if we do not get

the outcomes right for students, our education system will be nothing but rhetoric. We have to get that right.

In response to Mr Hall, we will locate them where there are the best educational outcomes. I value a dialogue with him, both as a former teacher and as The Nationals spokesperson on education, so I welcome his views on where he thinks we can get the better outcome.

Just as I wish to discuss this with Mr Hall, I will certainly be discussing with the department, with regions, with school communities and with other educators where they think we can get the best outcomes; because what we know is that in the 21st century unless our students are well equipped, unless they have opportunities, it will be harder for them in life.

As I have said in this house before, education is a gift that lasts a lifetime, and I want to make sure that gift is very well placed and that many students get an advantage from it.

Supplementary question

Mr HALL (Eastern Victoria) — I thank the minister for his answer and I look forward to learning more about the process in the selection of those 30 schools and I will certainly be happy to have input into that.

I ask the minister by way of a supplementary question whether it is true that the 30 selected schools will actually share \$35 million of the promised \$50 million in this initiative, leaving the remaining 350 or so secondary schools across the state with just \$15 million to spare. If so, how does the minister equate that to his government's promise to govern fairly for all Victorians?

Mr LENDERS (Minister for Education) — I thank Mr Hall for his supplementary question. The answer is quite easy on this matter in that, yes, there is a designated amount of money that we have announced in our election commitments, and one allocation is to a specific number of science wings. We have made an announcement about two selective entry schools that Mr Philip Davis asked me about before. Obviously we have the \$1.9 billion over four years for the capital infrastructure of schools.

My view is that we have to be absolutely flexible and we need to get where the best educational outcomes are. Every commitment we have made we will honour, but above and beyond that my view is that this is a golden opportunity for education in this state to inject capital where it will make a big difference to education outcomes. It is a golden opportunity and it is why the

Premier has called education our no. 1 priority. He has delivered resources through the election promises to back up the government's vision for where we are going in curriculum and student outcomes and all the other areas we have.

I will be delighted, and I think there is an extraordinary opportunity. As I said before, I look forward to working with Mr Hall and anyone else interested in the education outcomes of students. I think we can go a long way in Victoria. It is a great opportunity and I am proud to be the responsible minister.

Bushfires: resident relocation

Mr ELASMAR (Northern Metropolitan) — My question is to the Minister for Community Services. In light of the bushfires that are currently ravaging large parts of Victoria, will the minister inform the house what steps are being taken to ensure the safety of residents living in public sector residential aged care services and community residential units in the vicinity of the fires?

Mr JENNINGS (Minister for Community Services) — I thank Mr Elasmarr for his concern about the wellbeing of vulnerable Victorians at a time of most dire circumstances with the fires that are ravaging Victoria. I note that Mr Elasmarr is not the only member in this place to be concerned about it. I acknowledge the heartfelt good wishes expressed by most members, if not all members of the house, during this week and in particular the emphasis they made during their inaugural speeches to that effect.

I assure the chamber there are many thousands of people not only from Victoria but from interstate and overseas who are joining together to fight the bushfires in Victoria. In the last 24 hours over 4200 people represented this community proudly in standing up and trying to address the fires to deal with the emergency circumstances that confront individuals, property and the environment throughout Victoria. Those courageous people we congratulate yet again.

About 1500 of them are employed by the Department of Sustainability and Environment, about 2600 came through the auspices of the Country Fire Authority, about 290 have come from interstate and 47 brave souls have come to our shores from New Zealand. They have all done us proud.

In terms of the specifics in answer to the question about those members of the community who may be vulnerable because they are not ambulatory or may not be terribly mobile or able to look after their own

wellbeing — they may be residential aged care patients or from community residential units throughout Gippsland — a number of evacuations have occurred during the course of the last few days to ensure those residents are safe and secure.

A number of people have been moved out of those facilities and relocated once the impending threat has been removed. At the moment we are most concerned about the wellbeing of people who are residents of the Heyfield Bush Nursing Hospital. Within that facility there are 36 residents, 10 of whom are not able to move under their own steam. They are non-ambulatory residents, and they have been relocated to Sale. The other 26 residents who are able to move around under their own steam are still at Heyfield, but we are on notice that should the circumstances warrant they may be evacuated to other centres.

In Maffra 29 residents have been relocated to Koo Wee Rup, Yarram and Sale. At Stretton Park 34 residents were removed but then subsequently returned to that facility once the impending crisis had passed. At Omeo we still have 10 residents on site; two, I believe, have been moved to Lakes Entrance, but accommodation has been found in Lakes Entrance: should those residents in Omeo be at risk and be required to be relocated spaces have been identified for them to move into at Lakes Entrance.

Earlier this week I reported to the house that a number of people have gained access to emergency relief grants and other forms of assistance made available by the Victorian government. Indeed, up until the present time 30 people have received emergency grants. Many people have taken advantage of the support services provided through the Department of Human Services emergency responses to support them. Many people have come into municipal emergency coordination centres right across the north-east and the east of Victoria. In fact over 17 000 people have made use of the bushfire information service. I repeat for the interest of the community that the number is 1800 240667. Many people are taking advantage of that service. I encourage them now and in the immediate future to take that advice and the level of support available until the bushfires have passed.

The PRESIDENT — Order! Before I call the Leader of the Government I want to make a couple of comments, in particular on the conduct of the house in the last three days during question time. I have to say that I am pleased. I think there has been a great deal of civility, if you like, and the house will have the feeling that I have allowed a fair degree of interaction and interjection and goodwill banter. I will continue to do

that. I will not accept any abuse, and I think members have got that message. We have now set the standard, and I look forward to next year when we will work to continue that standard.

ADJOURNMENT

Mr LENDERS (Minister for Education) — I move:

That the house do now adjourn.

Water: eastern treatment plant upgrade

Mr O'DONOHUE (Eastern Victoria) — My issue is directed to the Minister for Water, Environment and Climate Change in another place. Since its release we have heard much from the government about the Our Water Our Future strategy. We have heard about it in the lead-up to the election, during the election campaign, and during this week in Parliament.

We have also heard much about the supposed water savings that have been achieved through reduced consumption, particularly in metropolitan Melbourne. The minister has spoken frequently about free new shower heads, more efficient toilets, permanent water savings his taking shorter showers. Of course we on this side support any move to curb wasteful and unnecessary consumption of potable water. But the problem appears to be that the government has a tendency to focus on the demand side of the equation. It has not addressed the supply side of the equation. The Liberal Party, during the election campaign, released a number of policies addressing this issue, such as its proposal for a new dam on the Lower Maribyrnong, a desalination plant, and the upgrading of the eastern treatment plant. I ask the minister to address just one of these issues.

As members of the chamber know, very little of the effluent treated at Carrum Downs is recycled. Most of it, once partially treated, is pumped to Gunnamatta Beach and discharged into Bass Strait. As I said in my inaugural speech, an average of 430 million litres of partially treated sewage is discharged every day at Gunnamatta. The consequences for the users of the beach can be issues such as foul odour or the transmission of illness and disease, particularly ear and throat infections to swimmers and surfers. At any time but particularly at a time of drought, it is a terrible waste of a resource.

The government should put a stop to this wastage as soon as possible and spend the money required to upgrade the eastern treatment plant at Carrum Downs, potentially freeing up an enormous amount of water for

the market gardens, farms, golf courses and residential communities of the Mornington Peninsula, Cranbourne and surrounding areas. If the government reinjected this water back into the system, the Gunnamatta outfall could be closed, having the double benefit of improving the environment and increasing the available water supply.

Therefore, will the minister commit to the urgent upgrade of the eastern treatment plant at Carrum Downs to produce class A water, and will he commit to a firm timetable for this? Will the minister also agree to closing the Gunnamatta outfall?

Water: Bendigo supply

Mrs PETROVICH (Northern Victoria) — My adjournment matter is for the Minister for Water, Environment and Climate Change in another place. I remind the minister that in November 2006 Coliban Water announced that Bendigo's water storages were at a historical low, with 12 weeks supply remaining. Construction of the proposed Erskine pipeline has not even commenced and is unlikely to be completed before November 2007. With the government's track record of an inability to deliver on major projects — an example of this being the fast rail from Bendigo to Melbourne — the community is justifiably sceptical.

In the circumstances, Bendigo, a major regional city of approximately 100 000 people, has no secure additional short-term water supply. I do not know how you truck water in to a regional centre of that size. We have already seen in several rural locations that this is the solution when water runs out, but that is simply not good enough. During the election campaign the Liberal Party continued to advocate and develop alternative policies such as groundwater recycling, improved channel systems and water tanks, and it was the first to develop the concept of a pipeline for Bendigo.

I have seen many instances of increasing hardship being caused to the community. It is not just about struggling to keep gardens and stock alive, it is about older members of the community suffering injuries and strains. The government's supply of a few water-saving shower roses did not cut consumption. The problem was that they were distributed to a small number of households, but not until last month. The difficulty for many families, particularly those on tank water, is that they do not have the water to come out of the showers.

Will the minister commit to urgently funding the extraction of groundwater from the Campaspe deep lead aquifer as a matter of urgency?

Medical practitioners: rural and regional Victoria

Ms DARVENIZA (Northern Victoria) — I wish to raise a matter for the attention of the Minister for Health in the other place concerning the adequate cover of GPs in rural and regional areas and the adequate number of doctors employed in hospitals in rural and regional areas.

The latest report from the Australian Institute of Health and Welfare, an independent report on the medical work force, shows that Victoria was well ahead of every other state and territory in employing additional doctors for the hospital system. In fact between 2000-01 and 2004-05 Victoria increased the number of doctors employed in the hospital system by 42 per cent — significantly ahead of any other state or territory. In fact the closest contender for having the highest increase was the Australian Capital Territory with a 30 per cent increase.

The Bracks government's public hospital budget has increased by some 83 per cent since we came to office in 1999, and there have been significant increases in the operating budgets for every hospital every year, upgrading and rebuilding 58 of our public hospitals — in fact rebuilding the health system.

My specific request to the minister is to ask her to take action to ensure that there is an adequate number of doctors employed in hospitals in rural and regional areas, because we know that is one of the areas where there is a shortage and there is a need to increase the numbers of doctors. I would also request the minister to continue to take action to lobby the federal government to ensure the adequate number of GPs and that there be an adequate cover of GPs in rural and regional Victoria.

Many members in this house would remember that the minister spearheaded a recent campaign, along with the Australian Medical Association, the Rural Doctors Association of Australia and Victorian universities for a fairer share of medical school places here in Victoria. Thanks to that campaign Victoria has an additional 220 places, but it will take at least six years for students to come through those places. There still is a need to ensure that there are adequate numbers of doctors employed in rural and regional hospitals. There is a need for the minister to continue to lobby the federal government and make every effort possible to ensure that we have an adequate number of general practitioners in Victoria and particularly in rural and regional areas.

Rail: Nunawading crossing

Mrs KRONBERG (Eastern Metropolitan) — My matter is directed to the Minister for Public Transport in another place. We have a very serious problem in Melbourne's east, and it is the intersection of Whitehorse Road and Springvale Road. As one motors through that intersection one is confronted by the level crossing at the Nunawading railway station. These rail crossings in the Eastern Metropolitan Region are strangling activity, frustrating travellers, detrimentally affecting commerce and putting a lot of emissions into the backyards of the surrounding households. They are the cause of enormous concern.

The areas I focus on in particular are Blackburn Road, Mitcham Road and Springvale Road. It is interesting that the government has sought the soft and easy option, saying that it is actually doing something along this rail line to Lilydale and to Belgrave by spending some money, a lot of effort and a lot of huff and puff on the level crossing at Middleborough Road. In a report commissioned by the Whitehorse City Council consulting engineers Parsons Brinckerhoff Australia found that the necessity for an upgrade to the Springvale level crossing is in fact six times greater than the need for an upgrade to the Middleborough Road crossing.

What we want is the minister and the government to adopt a fresh approach on this serious road and rail crisis because the new minister will have the opportunity to examine things afresh. I call on the minister to consign any scribbles and jottings left over by the previous minister for this portfolio to the recyclers. The remnants of the 19th century rail-road interfaces have to be given the highest priority for immediate grade separation. It is important to highlight that the people of Melbourne's east are relying on a review and a fresh approach. This is a crisis. We point out that the federal government has already pledged \$25 million to prime the pump for investigation into this project. It is interesting that in August the then Minister for Transport, rather than accepting the offer from the federal government, called the \$25 million pledge a stunt. I ask the minister to review the grade separation in Springvale Road as a matter of urgency.

Meat industry: labour shortage

Mr D. DAVIS (Southern Metropolitan) — My matter today is for the urgent attention of the Minister for Industry and State Development, the Honourable Theo Theophanous. It concerns the meat industry and in particular the issue of labour and the need for cooperation with the federal government regarding the

section 457 migration process. The federal Department of Immigration and Multicultural Affairs — —

Mr Lenders — Do you support Kevin Andrews or Amanda Vanstone?

Mr D. DAVIS — Minister, I am not raising this in a partisan way. This is a serious issue, and it is a matter that the meat industry faces some real challenges at the moment. There are labour shortages. The Premier has on his desk a letter dated 6 December from Midfield Meat International in Warrnambool — an important company — and I have in my possession an email sent today to the member for South-West Coast in another place, Dr Naphthine. He has taken this matter up with me and asked me to raise this on his behalf and on behalf of his constituent, Noel Kelson, from Midfield — —

Mr Lenders — Do you support Amanda Vanstone or Kevin Andrews? You are in the same faction.

Mr D. DAVIS — Again, this is quite a serious matter. There is a shortage of labour. There appears to be a bureaucratic impasse between the federal and state governments. I have spoken to the federal minister on this matter; she is very prepared to work and cooperate with — —

Mr Lenders — Not to Kevin Andrews though.

Mr D. DAVIS — It is actually an immigration matter and a work force matter, and certain parts of the meat industry in Victoria are short of labour. The requirement for skilled labour means that there needs to be visas. Those visas have a state component, and the state government has a legitimate interest in ensuring that those visas are provided in the right way and that labour agreements are arranged.

What I am asking the Minister for Industry and State Development to do is to work with the federal government and his own department to ensure that arrangements are put in place and put in place very quickly. There is an added level of urgency to this. There is a serious drought in Victoria at the moment and farmers are being forced to move animals off the land. If there is not the capacity in meatworks to deal with that in a constructive way, the prices will fall and the hardship will be increased. There needs to be a sensible way through this, a cooperative way, and specifically what I am seeking from the minister is to talk to the federal minister and the meat industry peak body and to work with state government and the federal department to find a solution to this serious matter.

Officer Primary School: principal

Mr P. DAVIS (Eastern Victoria) — I raise a matter for the attention of the Minister for Education in this place, which is very exciting. The matter concerns the Officer Primary School — —

Mr Lenders — I am very excited to be the minister!

Mr P. DAVIS — I am very excited to be the shadow minister by the way! Parents have raised concerns that have been relayed to the department over a five-year period without an appropriate response. Complaints and a petition signed by more than 30 parents from the Officer Primary School were made in 2001. I wonder whether the minister has been briefed on this. Of particular concern was the allegation that indecent language was used by the principal when addressing children in the playground. The parents have made representations to the department, the former minister and the current minister and have been fobbed off.

I ask: will the minister investigate this matter and advise me of any action which the department intends to take? I do not intend to embellish the detail of what was allegedly said. Certainly that is available, and if the minister wishes to see my detailed notes, I will provide them to him to assist with that investigation. But I think it is entirely unsatisfactory that no response has been made to the several representations made over a period of time on behalf of parents at that school.

Responses

Mr LENDERS (Minister for Education) — I do not have the details of what Mr Philip Davis seeks, but I will certainly follow that through and get back to him with those details. I appreciate his offer for further information, if that is what is required.

Mr David Davis raised an issue for the Minister for Industry and State Development on permits in the meat industry. I will certainly pass that on to the minister. What I was seeking to point out in my interjections to Mr David Davis was that Minister Theophanous may need to mediate between federal Ministers Andrews and Vanstone, who do not seem to have a consistent view on this issue. I will certainly ask him to give it his singular attention. I know he will be most interested in facilitating job creation in the state and improving that industry where he can. He may need to mediate between two federal ministers who have tried to sort out their disputes via the pages of the *Australian Financial Review* rather than by talking to each other around a cabinet table.

Mrs Kronberg raised an issue for the Minister for Public Transport in the other place. I will certainly pass that on, but I would seek through you, President, further information from Mrs Kronberg. She referred to transport, she referred to railways and she referred to roads. We have a Minister for Public Transport and we have a Minister for Roads and Ports. I guess I will ask her privately which minister she is seeking the action from. It was unclear which one it was. I would also like to make the comment that I would be very wary of suggesting that we throw away plans and consign materials to the dustbin, because that has been a hallmark of policy that does not work. It does not work when you keep on chopping and changing and do not have a long-term plan.

Mrs Peulich interjected.

Mr LENDERS — President, through you to Mrs Peulich, there is a transport statement for the next 10, 20, 30 or 40 years which has been announced recently by the Minister for Public Transport in the other place. President, I would seek your guidance on the matter raised by Mrs Kronberg: does she seek action from the Minister for Public Transport or the Minister for Roads and Ports?

Mrs Peulich — What a convenient arrangement!

Mr LENDERS — I take up Mrs Peulich's interjection. I take my duty to pass on the responsibility of the minister seriously. I listened carefully to the 2 minutes and 50 seconds of Mrs Kronberg's matter. She talked about railways and she talked about roads. I was trying to work it out. I am happy to refer it to both ministers, if that is what she wants. But I seek for it to be a bit more precise because that will help me understand how to pass it on.

Ms Darveniza raised an issue for the Minister for Health in the other place regarding doctors in the health system, and I will certainly pass it on to Minister Pike for her attention.

Mrs Petrovich and Mr O'Donohue raised issues for the Minister for Water, Environment and Climate Change in the other place regarding issues in their electorates — in Bendigo and down along the peninsula — and I will certainly pass them on to the minister for his attention.

The PRESIDENT — Order! Before I adjourn the house I would like to say to all members, to their families and to the staff: Merry Christmas, have a safe one, and we will see you next year. The house stands adjourned.

House adjourned 3.10 p.m. until Tuesday, 13 February 2007.

