

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-SIXTH PARLIAMENT

FIRST SESSION

Wednesday, 19 September 2007

(Extract from book 13)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

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Privileges Committee — Ms Darveniza, Mr D. Davis, Mr Drum, Mr Jennings, Ms Mikakos, Ms Pennicuik and Mr Rich-Phillips.

Select Committee on Gaming Licensing — Mr Barber, Mr Drum, Mr Guy, Mr Kavanagh, Mr Pakula, Mr Rich-Phillips and Mr Viney.

Select Committee on Public Land Development — Mr D. Davis, Mr Hall, Mr Kavanagh, Mr O'Donohue, Ms Pennicuik, Mr Tee and Mr Viney.

Standing Orders Committee — The President, Mr Dalla-Riva, Mr P. Davis, Mr Hall, Mr Lenders, Ms Pennicuik and Mr Viney.

Joint committees

Dispute Resolution Committee — (*Council*): Mr P. Davis, Mr Hall, Mr Jennings, Mr Lenders and Ms Pennicuik. (*Assembly*): Mr Batchelor, Mr Cameron, Mr Clark, Mr Holding, Mr McIntosh, Mr Robinson and Mr Walsh.

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

Economic Development and Infrastructure Committee — (*Council*) Mr Atkinson, Mr D. M. Davis, Mr Tee and Mr Thornley. (*Assembly*) Ms Campbell, Mr Crisp and Ms Thomson (Footscray)

Education and Training Committee — (*Council*): Mr Elasmarr and Mr Hall. (*Assembly*): Mr Dixon, Dr Harkness, Mr Herbert, Mr Howard and Mr Kotsiras.

Electoral Matters Committee — (*Council*): Ms Broad, Mr Hall and Mr Somyurek. (*Assembly*): Ms Campbell, Mr O'Brien, Mr Scott and Mr Thompson.

Environment and Natural Resources Committee — (*Council*): Mrs Petrovich and Mr Viney. (*Assembly*): Ms Duncan, Mrs Fyffe, Mr Ingram, Ms Lobato, Mr Pandazopoulos and Mr Walsh.

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

House Committee — (*Council*): The President (*ex officio*), Mr Atkinson, Ms Darveniza, Mr Drum, Mr Eideh and Ms Hartland. (*Assembly*): The Speaker (*ex officio*), Ms Beattie, Mr Delahunty, Mr Howard, Mr Kotsiras, Mr Scott and Mr K. Smith.

Law Reform Committee — (*Council*): Mrs Kronberg, Mr O'Donohue and Mr Scheffer. (*Assembly*): Mr Brooks, Mr Clark, Mr Donnellan and Mrs Maddigan.

Outer Suburban/Interface Services and Development Committee — (*Council*): Mr Elasmarr, Mr Guy and Ms Hartland. (*Assembly*): Ms Green, Mr Hodgett, Mr Nardella, Mr Seitz and Mr K. Smith.

Public Accounts and Estimates Committee — (*Council*): Mr Barber, Mr Dalla-Riva, Mr Pakula and Mr Rich-Phillips. (*Assembly*): Ms Graley, Ms Munt, Mr Scott, Mr Stensholt, Dr Sykes and Mr Wells.

Road Safety Committee — (*Council*): Mr Koch and Mr Leane. (*Assembly*): Mr Eren, Mr Langdon, Mr Mulder, Mr Trezise and Mr Weller.

Rural and Regional Committee — (*Council*) Ms Darveniza, Mr Drum, Ms Lovell, Ms Tierney and Mr Vogels. (*Assembly*) Ms Marshall and Mr Northe.

Scrutiny of Acts and Regulations Committee — (*Council*): Mr Eideh, Mr O'Donohue, Mrs Peulich and Ms Pulford. (*Assembly*): Mr Brooks, Mr Carli, Mr Jasper, Mr Languiller and Mr R. Smith.

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

Parliamentary Services — Secretary: Dr S. O'Kane

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FIFTY-SIXTH PARLIAMENT — FIRST SESSION

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Deputy President: Mr BRUCE ATKINSON

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Mr GAVIN JENNINGS

Leader of the Opposition:

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

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| Broad, Ms Candy Celeste | Northern Victoria | ALP | Madden, Hon. Justin Mark | Western Metropolitan | ALP |
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| Dalla-Riva, Mr Richard Alex Gordon | Eastern Metropolitan | LP | O'Donohue, Mr Edward John | Eastern Victoria | LP |
| Darveniza, Ms Kaye Mary | Northern Victoria | ALP | Pakula, Mr Martin Philip | Western Metropolitan | ALP |
| 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 |
| Elasmarr, 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 |
| Kavanagh, Mr Peter Damian | Western Victoria | DLP | Thornley, Mr Evan William | Southern Metropolitan | ALP |
| Koch, Mr David Frank | Western Victoria | LP | Tierney, Ms Gayle Anne | Western Victoria | ALP |
| 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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Wednesday, 19 September 2007

The PRESIDENT (Hon. R. F. Smith) took the chair at 9.33 a.m. and read the prayer.

PETITIONS**Following petitions presented to house:****Abortion: legislation**

To the Legislative Council of Victoria:

The petition of the undersigned residents of Victoria draws the attention of the house to proposed amendments to the Crimes Act which will ensure that no abortion can be criminal when performed by a legally qualified medical practitioner at the request of the woman concerned.

The implementation of this legislation will allow abortions to be legal in Victoria right up to birth. This will only increase the thousands of children who die needlessly each year through abortion and will add to the existing social problems in Victoria resulting from such a high abortion rate.

The petitioners therefore request that the Legislative Council of Victoria vote against amendments to the Crimes Act that will decriminalise abortion in the state of Victoria.

**By Mr KAVANAGH (Western Victoria)
(368 signatures)**

Laid on table.

Ambulance services: Castlemaine

To the Honourable the President and members of the Legislative Council assembled in Parliament:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council that the Castlemaine region is in desperate need of a 24-hour ambulance station.

The petitioners therefore request that the government, as a matter of urgency, commit the necessary funding to allow the Castlemaine ambulance station to be staffed on a 24-hour basis.

**By Mr DRUM (Northern Victoria)
(1222 signatures)**

Laid on table.

Moorabbin Children's Traffic School: future

To the Honourable the President and members of the Legislative Council assembled in Parliament:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council the Victorian government's closure of the Moorabbin Children's Traffic School, East Boundary Road, Bentleigh East.

We oppose the closure of the Moorabbin Children's Traffic School and believe this facility has had a vital role in educating children in Melbourne's south-east in road safety.

We therefore request that the traffic school be reopened at East Boundary Road, Bentleigh East and that the Victorian government restore funding for it to continue operation as it had up until the time of its closure.

And your petitioners, as in duty bound, will ever pray.

**By Mr D. DAVIS (Southern Metropolitan)
(115 signatures)**

Laid on table.

Maryborough District Health Service: tenders

To the Legislative Council of Victoria:

The humble petition of the residents in the state of Victoria draws to the attention of the house the detrimental impact on small businesses in Avoca and Dunolly as a result of Maryborough District Health Service not directly advising them to submit tenders for food services they have historically supplied to their local hospitals.

The petitioners therefore request that the Brumby government ask the department of health services Victoria to examine the tendering process used by Maryborough District Health Service for the supply of food services to the Avoca, Dunolly and Maryborough health services and again advertise these services to allow each town's local businesses the opportunity to compete for the next contract period.

Local community support should not be ignored where local business houses are available to meet this demand.

By Mr KOCH (Western Victoria) (449 signatures)

Laid on table.

PAPERS**Laid on table by Clerk:**

Auditor-General — Report on Program for Students with Disabilities: Program Accountability, September 2007.

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

Corangamite Planning Scheme — Amendment C17.

Hume Planning Scheme — Amendment C99.

Mooney Valley Planning Scheme — Amendment C78.

Yarra Planning Scheme — Amendment C96.

MEMBERS STATEMENTS

Ukrainian holocaust: 75th anniversary

Mr GUY (Northern Metropolitan) — It is with sadness that members have come into this chamber to put on the *Hansard* record issues of crimes against humanity, many of which occurred in the 20th century and many of which occurred in Europe. Today I wish to place on record the horror of the Ukrainian holocaust, or the Holodomor as it is known, of 1932–33.

In the early 1930s the communist masters of the Soviet Union, directed by Joseph Stalin, enforced the greatest deliberate act of genocide by a nation against its own people by systematically starving tens of millions of Ukrainians in a national famine that killed over 7 million men, women and children and a further 1 million to 2 million in other Soviet Socialist republics. The famine was totally deliberate. It occurred in the most productive agricultural region of the then Soviet Union, with people being denied food by authorities, people being prevented from leaving areas of famine to seek food, while the food that was grown was being exported and traded for tractors and agricultural machinery. People with Ukrainian ancestry like myself have family members who can remember the famine; they remember starving people in the streets of Kiev, Kharkov and Odessa and right across Ukraine; and they remember the fact that this was done by their own government.

Throughout this year and next year Ukrainians all over the world are remembering the 75th anniversary of this national tragedy. Here in Australia, Australian Ukrainians are remembering the millions who died but are also acknowledging the survivors and their families. We must ensure that state-sponsored genocide is never forgotten and importantly ensure that those who sit in charge of the nation that inherited the work of the Soviets are finally forced to face the issues of their past.

Climate change: Carteret Islands refugees

Mr BARBER (Northern Metropolitan) — I wish to make a quick community service announcement in relation to a forum that I will be holding at lunchtime tomorrow in K room. I am presenting a couple of speakers from the Carteret Islands, who are possibly the world's first climate refugees. The speakers will include an elder, Bernard Tunim, who has lived on the island for a very long time and who has observed changes occurring to his home; and also Ursula Rakova, who is working for one of the non-government organisations responsible for the relocation that is now occurring.

Over the last 20 years these islanders have worked to protect their island by building sea walls and planting mangroves, but they have continued to suffer the effects of storm surges and high tides which have wiped out their homes and their vegetable gardens, and contaminated their fresh water supplies. The Papua New Guinea government is now evacuating people from this island and it is expected that the islands will be uninhabitable by 2015. I have already received a number of RSVPs from a number of members of different political parties, and I would like to extend the invitation to all members of this chamber. There will be a light lunch provided as well.

The PRESIDENT — Order! That particular contribution demonstrates the flexibility that exists in the house.

McKillops Road, East Gippsland: upgrade

Mr HALL (Eastern Victoria) — Heavy rains in June caused much damage to road and bridge infrastructure in Gippsland. One road that had a significant section washed out was McKillops Road. McKillops Road is a rather significant, historic road in Victoria. It connects the areas of Gelantipy and Wulgulmerang with those of Tubbut and Deddick, via the McKillops bridge that crosses the Snowy River and goes through the Alpine National Park. Since June that road has been closed, causing a severe limitation to tourist traffic, but also a great inconvenience to the local people, who need to commute to other parts of East Gippsland.

I met with VicRoads last week and was pleased to learn that plans for restitution of the road have now been finalised. The good news was that starting next week, a VicRoads crew will be available to start work on fixing that road which will require a bridge structure to be built into the rock face of the mountain. It is a \$500 000 project and hopefully it will be completed by the end of November.

Quite wisely and logically the locals argue that extra money should now be provided to ensure that while machinery is in the area fixing the road we can take the opportunity to improve and widen it. My information is that the flood road damage funding does not enable VicRoads to do that. My request today is to call on the government to make available additional funding so that McKillops Road can be widened at the same time as the bridge is being reconstructed.

WorkChoices: Spotlight Pty Ltd

Mr LEANE (Eastern Metropolitan) — It has been interesting in the last couple of days to read the media reports about the fabric company Spotlight seeing the light, turning its back on Australian workplace agreements and looking to have a collective agreement as its industrial instrument to cover employees. Since John Howard trained up a heap of backpackers to do the good old Aussie common-sense fairness test even the backpackers have reinforced that it is not fair to take away from these low-paid workers penalty rates and allowances for 2 cents. Six hundred and forty Spotlight contracts have recently failed the test, and no-one should be surprised. These contracts have never been fair — —

Honourable members interjecting.

The PRESIDENT — Order! I am particularly interested to hear what the member has to say about this matter.

Mr LEANE — These contracts have never been fair, but they are legal. They have been made legal by John Howard's disgraceful weapons to attack low-paid workers. Spotlight in acting legally must feel a bit duded by John Howard but not nearly as much as John Howard's caucus colleagues. In his saying that he will remain the leader as long as the party wants him — —

Honourable members interjecting.

The PRESIDENT — Order! This is clearly an emotive issue for a number of people, but I am sure Hansard is really struggling. I ask members on my left in particular to try and withhold their rage until this is over.

Mr LEANE — He will remain the leader as long as the party wants him. When the party says to him it does not want him anymore, he moves the goal posts, like the goal posts on Spotlight — —

The PRESIDENT — Order!

Mr LEANE — God bless you, John Howard!

Debate interrupted.

SUSPENSION OF MEMBER

The PRESIDENT — Order! I consider Mr Leane's action to be disrespectful. I am on my feet; he is not. I had already said that 5 minutes ago. He has continued

to contribute. He should not talk while I am talking. It has got him 30 minutes.

Mr Leane withdrew from chamber.

Debate resumed.

Maryborough District Health Service: tenders

Mr KOCH (Western Victoria) — I again draw attention to the oversight of the Maryborough District Health Service in not inviting local small business operators to submit tenders for the supply of food and beverage services to its Avoca campus. The detrimental impact this has had on small business in Avoca has generated a great deal of concern in the community. The tendering process endorsed by the board failed to recognise the capacity of local businesses to continue to supply these services compared with that of the winning tenderers. The quest for efficiency has ignored loyalty to small businesses that have historically supplied these services for many years. The miniscule difference in the delivery cost of supplying services from larger and in some cases distant suppliers has meant small businesses in Avoca have been penalised simply because they were not advised to submit a tender.

Hundreds of concerned residents have supported local businesses by adding their names to a petition I tabled here today. The petitions requests that the government ask the Department of Human Services to examine the tendering process used by the Maryborough District Health Service for the supply of food and beverage services and to readvertise for these services to allow local businesses the opportunity to compete for the next contract period. Local community support should not be ignored where competitive local business houses are available to meet this demand.

Dental services: funding

Mr SOMYUREK (South Eastern Metropolitan) — I rise to congratulate the federal Leader of the Opposition, Kevin Rudd, and the federal shadow minister for health, Nicola Roxon, on pledging to invest up to \$290 million to a commonwealth dental health program, one of the first programs scrapped by the Howard federal government when it came to office in 1996. This funding will provide 1 million additional consultations for Australians needing dental treatment by establishing a commonwealth dental health program.

Over the past 11 years the Howard government has withdrawn \$1.1 billion in dental services. As a consequence, 650 000 Australians are on dental waiting lists around the country. State and territory

governments have more than doubled their investment in public dental care over the past decade, from \$205 million in 1995–96 to \$503 million in 2004–05, but public dental waiting lists have blown out to 650 000 people since the Howard government axed the commonwealth dental health program.

Under federal Labor's plan, over three years up to 1 million Australians will finally receive needed dental treatment. There is evidence that there is a strong correlation between tooth decay and socioeconomic disadvantage. Therefore people in the more economically disadvantaged suburbs of my electorate — such as Dandenong, where I know tooth decay is a problem for residents — will benefit from this funding pledge.

Chief Commissioner of Police: comments

Mr FINN (Western Metropolitan) — Since our last sitting week I was angered by reported comments of the Chief Commissioner of Police, who labelled the war on terror as an exaggeration of the threat of terrorism. Such a statement by the chief law enforcement officer of this state sends a clear message to terrorists that Victoria is a soft target. There is no doubt that the chief commissioner's comments increase the chances of a terrorist attack in this state. It is time — well beyond time — that the invisible Minister for Police and Emergency Services in the other place took responsibility for his — —

Mrs Peulich — Who is it?

Mr FINN — I cannot even remember his name. It is about time he took responsibility for his Chief Commissioner of Police and called her into line. She has stepped way over the mark with these latest comments, and she is putting Victorians' lives in danger by saying this sort of nonsense — that is, that terrorism is some sort of an exaggeration. For that to be coming from the Chief Commissioner of Police of this state is something that should horrify us all. I call on the police minister to take appropriate action to do what he needs to do to protect Victorians and to remove the chief commissioner immediately from her position.

Cancer: research centre

Mr EIDEH (Western Metropolitan) — I rise to congratulate and indeed thank the Premier, John Brumby, and the Victorian government for bringing to fruition detailed planning works to establish a comprehensive precinct to assist persons with cancer. I also congratulate the government for allocating \$5 million, which will be used to bring together into

one precinct our experts in the research of cancer and the delivery of programs for those who have been identified as sufferers of cancer.

The Victorian government is already providing quality services in the cancer field, but there is more that can be done. There can be no doubt that the Victorian government is committed to improving cancer services and assisting organisations such as the Peter MacCallum Cancer Centre, the Royal Melbourne Hospital, the Ludwig Institute for Cancer Research, the Walter and Eliza Hall Institute of Medical Research and health research facilities from the University of Melbourne to work together and to place Victoria as a world-class centre for cancer research and treatment.

While the rate of cancer survival in Victoria has increased from 48 per cent in 1990 to 61 per cent in 2004, much more can be done to lift this percentage higher. The proposed world-class cancer precinct will help achieve an increase in the numbers of people who survive cancer. Congratulations to the health minister in the other house and those who are working towards the realisation of this precinct.

Tourism: Gippsland

Mr P. DAVIS (Eastern Victoria) — I wish to raise a matter for the attention of the house in regard to the community generally in East Gippsland, and in particular the business community. Members will be well aware of the adverse environmental conditions experienced by the Gippsland region as a whole, in particular East Gippsland, with bushfires in the summer and floods in the winter.

Regrettably there has been an impact in terms of the important part of the economy that the community relies on, which is essentially tourism. More than one-third of the East Gippsland economy relies on intrastate tourism. As a consequence we have seen a significant downturn in retail activity, in real estate turnover and obviously in tourism bookings. Accommodation and tour providers are experiencing a serious cash flow problem.

Clearly what is required is an open-for-business campaign. Notwithstanding the government's much-trumpeted flood recovery program, the reality is that that campaign has not been delivered. I am urging the Victorian government to do what it indicated it would do at the time of the floods, which is to invest in an open-for-business campaign for Gippsland.

Bayside: architectural trail

Ms MIKAKOS (Northern Metropolitan) — Last Thursday I had the pleasure of launching Bayside City Council's architectural trail booklet. This document is a celebration of the architectural achievements of Bayside. It allows community members to go on a self-guided architectural journey on foot or by bike to discover the story behind Bayside's many significant buildings. It includes famous household names such as St Andrew's Church, the Brighton bathing boxes and Middle Brighton baths and also some not-so-well-known treasures such Dalton house, better known to locals as 'shell house' because its fence is made from used artillery shells.

People using this booklet will have the opportunity to gain a new appreciation not only of individual buildings but of the significance of architecture and design in Bayside. I congratulate Bayside City Council for this important initiative. I know that local members in particular will be interested and will obtain a copy of the booklet.

Mr Finn (Western Metropolitan): members statement

Mr LENDERS (Treasurer) — I rise to make a members statement in response to Mr Finn's outrageous attack on the Chief Commissioner of Police. In his inaugural speech Mr Finn attacked the Chief Commissioner of Police and again today he has attacked the Chief Commissioner of Police. Not only did he do that, but he went out of his way to call on the Minister for Police and Emergency Services to dismiss the Chief Commissioner of Police.

We have a system of government in this state where the Chief Commissioner of Police has historically been an independent officer. If Mr Finn is suggesting that a minister of the Crown should sack the chief commissioner because Mr Finn does not like her, that would change the entire operation of the state of Victoria and the independence of the police force. If Mr Finn is calling for the Chief Commissioner of Police to be a political instrument of the government of the day, the rules of this state would need to be changed.

I call on the Leader of the Opposition in this house and the Leader of the Opposition in the other place to denounce Mr Finn and to reiterate that the Liberal Party believes in the separation of powers and in the Chief Commissioner of Police having the ability to direct her own force, and to announce that a future Liberal government will not seek to sack police commissioners

on the whim of Mr Finn. I call on Mr Baillieu, the Leader of the Opposition in the other place, and Philip Davis to renounce Mr Finn's outrageous accusation.

Mr P. Davis — On a point of order, President, I rise to respond to the comments of the Leader of the Government — —

The PRESIDENT — Order! Mr Davis cannot raise a point of order in that regard, but he can respond in the form of a 90-second statement.

Mr LENDERS — He has already made one.

Mr P. Davis — On a point of order, President — —

The PRESIDENT — Order! I will seek clarification. Mr Davis cannot make another 90-second statement.

Mr P. Davis — If I make my point of order, President, you can then rule.

On a point of order, President, the minister has made an assertion about the inappropriate remarks of a member of this house and has called on leaders of the opposition to castigate or discipline that member. My response to that is that the minister is out of order — —

The PRESIDENT — Order! That is not a point of order, and Mr Davis is actually debating it. I have given Mr Davis a fair bit of licence, but the bow he is stretching is a little too long. There is no point of order.

Mrs Coote — Can I make a members statement?

The PRESIDENT — Absolutely.

Mr Finn (Western Metropolitan): members statement

Mrs COOTE (Southern Metropolitan) — I would like to speak about Mr Finn's contribution this morning, which I thought was in the spirit of how you, President, ruled this morning in terms of flexibility in this chamber. I find it extremely interesting that the Leader of the Government in this place cannot seem to understand that this is a democracy and people have the opportunity to say whatever it is that they wish to say. The Leader of the Government was very precious in the way he reacted to this issue.

President, this morning you said we can be flexible. We have seen this morning quite a diversity of members statements, and I would expect Mr Finn to be heard in this place in time, as everybody else has had the opportunity, and with the respect that he is due.

GAMING: PUBLIC LOTTERIES LICENCE

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I move:

That in accordance with sessional order 21 'Production of documents' there be tabled in the Council by 5.00 p.m. on 27 September 2007 the following documents:

- (1) any reports prepared by the Victorian Commission for Gambling Regulation in connection with registrations of interest received for a public lotteries licence and presented to the Minister for Gaming in August 2005;
- (2) any reports prepared by the Victorian Commission for Gambling Regulation in connection with applications received for a public lotteries licence and presented to the Minister for Gaming in May or June 2006;
- (3) any amended reports prepared by the Victorian Commission for Gambling Regulation in connection with applications received for a public lotteries licence and presented to the Minister for Gaming in November 2006;
- (4) any reports prepared by the Victorian Commission for Gambling Regulation in connection with applications received for a public lotteries licence and presented to the Minister for Gaming in June, July or August 2007; and
- (5) any minutes, file notes or other records of meetings howsoever described relating to consideration of the Victorian Commission for Gambling Regulation reports by the Lotteries Licence Review Steering Committee.

President, at the outset I make the point that lotteries in Victoria are big business. This year more than \$1 billion worth of lottery tickets will be bought by Victorians, which amounts to more than \$260 per adult a year in Victoria. Since 1954 the estate of the late George Adams trading as Tattersall's, and more recently as Tattersall's Ltd, has had an exclusive licence to operate lotteries in Victoria. Over the last 53 years that licence has been renewed periodically without competition.

It is also worth noting that lotteries are significant for the Victorian government, as more than \$320 million in tax revenue flows to the Victorian government from lottery operations in this state. It is a very significant business for the operator, it is a very significant industry for the Victorian community, and it is a very significant revenue source for the state of Victoria.

In 2004 the Victorian government decided for the first time to have a competitive licensing process when the licences were due for renewal on 30 June 2007. That is the process that is now the subject of much public debate, it is the process that is the subject of an inquiry by a Legislative Council select committee and it is the matter which is being canvassed this morning in this

motion. To put it in context, the government, in deciding to undertake a competitive process, has indicated that a licence or licences will be issued for a 10-year period. We are talking about a licence that will enable the successful operators to run an industry worth over \$10 billion over the life of the licence and that will contribute to state revenue in the order of \$3.5 billion over the life of the licence, so these are very significant matters that are now the subject of this parliamentary inquiry and the subject of public debate.

I would like to provide a bit of background around why we are having this debate this morning. In February this year the Legislative Council resolved to establish a select committee inquiring into gaming licensing. The select committee has four key terms of reference: the first is to inquire into and report on the current lotteries licence process that is under way; the second term of reference is to report on electronic gaming machines and the proposed renewal of licences beyond 2012; the third term of reference relates to the operation of the Community Support Fund; and the fourth key term of reference relates to problem gambling. The committee, in its early deliberations, resolved to focus on the first term of reference — that is, the lotteries licence — as its no. 1 priority, and since its establishment in February that is the work program the committee has pursued.

In July of this year the committee tabled its first interim report. The report contained details of the committee's activities to date, in particular the documents it had sought under summons from government agencies, various private sector participants, the probity auditor et cetera, and the responses or lack thereof received in relation to those summonses. I do not intend to go through that report in detail again; those matters were canvassed when the report was tabled in July. Suffice to say the committee found and reported in its interim report that the Attorney-General had blocked the disclosure to the committee of many documents, key documents that related to the committee's deliberations on the lotteries licence, claiming a raft of privileges: executive privilege, commercial-in-confidence, legal privilege et cetera. The Attorney-General imposed an almost blanket claim of privilege over every document the committee was seeking from the government as a way of frustrating the committee's inquiry.

Following on from the tabling of that interim report in July, the committee proceeded to public hearings. We have now taken evidence from around a dozen witnesses on the matter of the public lotteries licence, ranging from the Secretary of the Department of Justice, Ms Penny Armytage, through to senior executives in the gaming and racing area of the Department of Justice, the executive responsible for the

lotteries licence steering committee, and the chairman and executive commissioner of the Victorian Commission for Gambling Regulation. We have heard from representatives from the two short-listed bidders, and we have also heard evidence from the probity auditor.

In the course of those hearings it has emerged that central to the issue of the public lotteries licence and to why this matter is still in play a full two years after the bidders lodged their first applications is the issue of the Victorian Commission for Gambling Regulation reports. It is these reports that this motion for the production of documents seeks to have presented to the chamber in order that those matters can be clarified in a timely manner.

The process for awarding a lotteries licence is outlined in the Gambling Regulation Act 2003. Part 3 of chapter 5 contains extensive detail on the process the government is required to go through when it is seeking the renewal of a lotteries licence. The act outlines a two-stage process whereby registrations of interest are sought from applicants or registrants. Those registrations of interest then go through a basic vetting process as to the eligibility of registrants to hold a lotteries licence. Those applications then go through a formal assessment process and, following that, successful registrants are then invited to apply formally for a lotteries licence, which involves a further assessment process. The document that outlines the registration of interest process is known as the brief. It is in fact a notice published in the *Government Gazette* under section 5.3.2A of the Gambling Regulation Act, and it sets out the requirements for a party wishing to become a registrant under the process.

There are a few sections of the brief that was published in draft form on 19 May 2005 and in final form on 17 June 2005 to which I wish to draw the house's attention. The first is section 2.4 of the brief, which outlines the timetable for the lotteries licence process. The timetable highlights that registrations of interest were to open on 17 June — that is, when the brief was published. Registrants were required to submit their registrations of interest by 13 July 2005, and those were to be evaluated between July and September of 2005. Following that evaluation process, in September 2005 the Minister for Gaming was to invite eligible registrants to submit formal applications for a licence.

Those formal applications were required to be submitted by November 2005, and the announcement of the successful lotteries licence bidder or bidders was to be made in early 2006. It is a matter of public record as we are now approaching the end of 2007 that the

awarding of the licence still has not been announced. If there is no other defect in the process, the fact that it is almost two years behind schedule highlights that the process as outlined in the brief has gone astray.

Other areas of the brief that are relevant include part 4, which outlines the nature of the information that registrants were required to submit in their registrations of interest. The registrations of interest were to be divided into eight parts. Part A was to comprise a covering letter and, I might add, a deposit in a sealed envelope. The requirement for the deposit was to cover the cost of the assessment, which, according to the brief, was estimated as in the order of \$25 000 per registrant for the first-stage assessment. Part B covered details of the party lodging the registration of interest. Part C covered the commercial and financial capability of the registrant to conduct a public lottery.

Part D covered the registrant's ability to meet the technical specifications for running a public lottery. Part E was a company history form. Part F comprised probity forms for the associates of the registrant. Part G covered the bid that the registrant was making with respect to the number and form of the lotteries licence. Part H related to whether the lotteries licence the registrant was seeking was to be an exclusive lotteries licence. In terms of what the registrants needed to submit, the requirements of the brief were very detailed. It required a very clear range of information that is central to the evaluation of the suitability of an applicant to be considered for a full application for a lotteries licence.

Part 2.3 of the brief outlines how the registrations of interest were to be evaluated. It provides that registrations of interest were to be received by the Minister for Gaming in the other place. Parts B, C, D, E and F of each registration of interest were then to be submitted to the Victorian Commission for Gambling Regulation (VCGR). The commission would be required to evaluate them and, to quote from part 2.3.2 of the brief, report to the minister on:

... the extent to which each registrant meets the probity standards; and

... the registrant's capacity to operate a public lottery business as specified in part 5 of this brief.

Part 5 of the brief is also central to the consideration of these VCGR reports. It outlines in some detail the matters that the commission was required to consider when evaluating the registrations of interest that had been submitted. The basis of part 5 is the Gambling Regulation Act, which specifies the requirements for consideration of a full application. Apart from minor

changes between the act and the brief, the details of the evaluation are consistent. They are broken into three areas.

The first, at part 5.1.1 of the brief, is probity. It states:

The registrant will need to provide sufficient information to demonstrate to the commission that

- (i) the registrant and its immediate associates are of good repute having regard to character, honesty and integrity;
- (ii) the registrant does not have an association with a person or body that is not of good repute having regard to character, honesty and integrity as a result of which the registrant is likely to be significantly affected in an unsatisfactory manner; and
- (iii) the registrant is of sound and stable financial background.

Those are the probity requirements that the Victorian Commission for Gambling Regulation is required to assess. It is also required in part 5.1.2 to assess the commercial and financial capability of each registrant:

- (i) the registrant will be capable of having or raising financial resources that are adequate to ensure the financial viability of a public lottery business; and
- (ii) the registrant has the capability to establish and maintain a successful public lottery business.

The third criterion the VCGR had to assess was the technical capability of a registrant to actually operate a lotteries business having regard to the technical and information technology requirements of actually operating a lotteries licence business.

Those are the criteria against which the VCGR was required to assess each registrant for a lotteries licence. It is the reports that arise from the VCGR's assessment of those registrants against those criteria that this motion this morning seeks to have presented to the Council.

It has become apparent from the evidence given at public hearings for the inquiry that the reports of the VCGR have been central to why the awarding of a lotteries licence has been delayed for the period it has. I would like to turn to the evidence that was presented to the Select Committee on Gaming Licensing by Mr Peter Cohen, who is executive commissioner of the Victorian Commission for Gambling Regulation. In his evidence to the select committee Mr Cohen had the following to say with respect to the VCGR reports relating to registrations of interest:

Some ROIs —

registrations of interest —

were provided to the VCGR by the gambling licences review team. On 25 and 28 July the VCGR was provided with additional ROIs by the gambling licences review team.

...

On 31 August the commission's report on each registrant was delivered to the minister's office. On 2 September a request for clarification of a specific matter in one of the reports was made by the gambling licences review team, and a response was provided on 5 September.

On 15 September a request was received from the minister seeking further information and clarification regarding a registrant. A holding response was provided on 16 September and further information in response to the request was provided on 30 September.

It is those reports relating to registrants that this motion seeks to have produced by virtue of paragraph (1) of the motion, reports relating to the preliminary assessment of the registrants' registration of interest.

Following the registration of interest process and the evaluation of registrations of interest, the minister determined which registrants would be invited to apply for a public lotteries licence. Two registrants were invited, and it is now a matter of public record that the two registrants that were invited to apply were Tattersall's and Intralot. On 10 November 2005 the Minister for Gaming formally invited those two parties, Tattersall's and Intralot, to apply for a public lotteries licence.

Parts 1 to 5 of the lotteries licence application were lodged on 12 January, and parts 6 to 8 were lodged on 23 February 2006. Immediately following the lodging of the formal application, these were referred by the minister to the Victorian Commission for Gambling Regulation for the preparation of a report.

The requirement for the VCGR to produce a report on applications is contained in the Gambling Regulation Act. Section 5.3.4 requires the commission to give a report to the minister. The criteria that the VCGR is required to assess are very similar to those that were required to be assessed with respect to the registrants. However, the specific requirements of the report are more detailed. Section 5.3.4 states:

- (1) The Commission must give a written report to the Minister on each licence application, stating whether or not, in the Commission's opinion—
 - (a) the applicant, and each associate of the applicant, is of good repute, having regard to character, honesty and integrity;
 - (b) the applicant, or an associate of the applicant, has an association with a person or body that is not of good repute having regard to character, honesty and integrity as a result of which the applicant or

the associate is likely to be significantly affected in an unsatisfactory manner;

- (c) each executive officer of the applicant and any other person determined by the Commission to be concerned in or associated with the ownership, management or operation of the applicant's business, is a suitable person to act in that capacity;
 - (d) the applicant has sufficient technical capability and adequate systems to conduct the public lottery to be authorised by the licence;
 - (e) the applicant is of sound and stable financial background;
 - (f) the applicant has financial resources that are adequate to ensure the financial viability of a public lottery business;
 - (g) the applicant has the ability to establish and maintain a successful public lottery business.
- (2) The report may include any recommendations the commission thinks fit, including recommendations as to any appropriate licence conditions.
 - (3) The report must include the reasons for any findings or recommendations contained in it.

So the requirements are clear. The commission is to form an opinion about the applicants for a public lotteries licence based on those criteria set out in the act. It is entitled to make any recommendations it sees fit about those applications, and it is required to provide the minister with reasons as to why it formed those opinions and made those recommendations as to the form that a lotteries licence should take.

These are the second set of reports that the commission was required to prepare. I again refer to evidence given by Peter Cohen, the executive commissioner of the VCGR, who outlined the process surrounding the preparation of the second set of reports — the formal assessment of the applications. He said:

During the period up to mid-May extensive probity investigations were undertaken on the applicants and all their relevant associates. These investigations included personal interviews and local inquiries conducted by experienced gaming investigators who travelled to various countries over a number of weeks. Interviews were conducted with a range of relevant persons, including applicants, their associates and key personnel, international gaming regulators, law-enforcement agencies and other government bodies.

...

On 26 May material prepared to assist the commissioners to form a view about each applicant with respect to the matters under section 5.3.4 of the act were finalised and provided to commissioners. This material covered the areas of probity, technical competence and financial capacity. The applicants' identities were fully disclosed in this material.

On 30 May the commissioners met to determine their view of each applicant, as required by section 5.3.4 of the act, and to prepare the reports to the minister.

...

On 2 June the VCGR reports were hand-delivered to the minister's office.

Those were the second set of reports the VCGR prepared. They were the first formal reports on the full application, and these are the reports that the motion seeks to have produced by virtue of paragraph (2) of the motion I have moved this morning. It was at this stage that the process departed from the script.

On 25 July a meeting took place between Mr Cohen, his colleague Mr Ian Dunn, who was the chairman of the VCGR, and Mr Ross Kennedy, who was the executive director for gaming and racing at the Department of Justice. It was at this meeting between those gentlemen that for the first time concerns were raised about the reports that had been submitted by the VCGR to the minister, and it was at this meeting that for the first time the VCGR, Mr Dunn and Mr Cohen were told that the government, through the offices of the steering committee, would be seeking the Solicitor-General's advice as to the appropriateness of the VCGR reports, and on this matter Mr Cohen also reported to the committee:

On 4 September a meeting was held between the commissioners of the VCGR and the Secretary of the Department of Justice, Penny Armytage, the executive director, gaming and racing, Ross Kennedy, the director, gambling licensing review, Garth Lampe, and Geoff Walsh of Pitcher Partners, probity auditor for the steering committee. A letter signed by the secretary and the executive director, gaming and racing, dated 1 September 2006 was provided to commissioners. The letter advised that the steering committee had identified issues relating to the VCGR's process, which required further work.

The committee received evidence that expanded and corroborated Mr Cohen's evidence with regard to the evidence of Mr Ian Dunn, the chairman of the VCGR. On the same matter, Mr Dunn informed the committee that:

On 4 September 2006 I attended a meeting at the commission. At that meeting, which was attended by the three commissioners, together with Ms Penny Armytage — the Secretary of the Department of Justice — Mr Ross Kennedy, Mr Garth Lampe and Mr Geoff Walsh of Pitcher Partners, who was the probity auditor for the steering committee, a letter was handed to me. We were advised that the reports of 2 June 2006 could not be acted upon.

I discussed these issues further with the commission's council. The commission then decided to engage Dr Gavin Griffith, QC, to review the commission's report and to undertake discussions with the Solicitor-General regarding any potential amendments to the reports. Shortly thereafter

we received an abridged copy of the Solicitor-General's opinion.

Accordingly, over the next few days I arranged for Dr Griffith to be briefed to advise the commission to review the methodology adopted by the commission in preparation of its reports and to undertake discussions with the Solicitor-General. He advised the commission as to amendments which he considered should be made to the commission's reports.

We were subsequently requested by Mr Kennedy to attempt to provide amended reports by 12 November 2006. The inducted staff continued to work on amendments to the report.

On 16 November 2006 the commission met and after further lengthy discussion the commission adopted the further reports, which were forwarded to the minister's office on 17 November 2006.

It is these amended reports that were presented to the minister on 17 November that this motion seeks for presentation to the house by virtue of paragraph (3).

At this time the reason for the amended reports being required is unclear. Witnesses to the committee have declined to elaborate on why the government sought to have those reports amended and the nature of the defect in those reports. I place on the record that at the time these amended reports were required there was substantial media speculation, including speculation that the VCGR's assessment of the applicants had been influenced by information that had been provided by Mr David White in his capacity as a lobbyist for one of the bidders. However, the committee was refused evidence that would have established the veracity of that claim and was refused evidence as to the nature of the concerns that had been expressed by the Solicitor-General.

It was following the presentation of the amended reports to the minister that the government decided to pursue a further and quite radical step that departed from the original plan for the lotteries licence process. The government, acting on the advice, we understand, of the Solicitor-General, determined that the amended reports were unacceptable for consideration of the lotteries licence application and sought to have completely new reports developed by completely new commissioners. To that end new interim commissioners were appointed to the VCGR to undertake a separate assessment of the applications for a lotteries licence independent of the existing commissioners of the commission.

The committee heard evidence from Ms Penny Armytage, the Secretary of the Department of Justice, which outlined the process the government went

through in appointing new commissioners. To quote Ms Armytage:

On 22 December 2006 the minister, the Solicitor-General, the Victorian Government Solicitor, Ross Kennedy, the probity auditor and I met to discuss the amended VCGR report. At that meeting it was decided that the VCGR should provide a new report and that the report should be prepared by a differently constituted VCGR.

On 16 January 2007, the Victorian Government Solicitor, Ross Kennedy, and I met with Mr Dunn, Mr Cohen, Ms King and the VCGR solicitor, Sylvia Grobtuch. At that meeting I informed the VCGR that new commissioners would be appointed to produce new reports on the basis of the information that had been gathered to date. On 8 February 2007, Ross Kennedy and I met with Mr Ken Loughnan.

Mr Loughnan is one of the new temporary commissioners who have been appointed by the government specifically to produce new VCGR reports.

If the government's time line, as articulated following its decision to proceed to new reports, had been adhered to, those new reports by the new commissioners should be in the hands of the minister. It is these new reports that the motion before the house seeks to have presented by virtue of paragraph (4) of the motion.

In summary, what we have is evidence to the select committee that the VCGR produced the reports it was required to produce in accordance with the requirements of section 5.3.4 of the Gambling Regulation Act. Mr Dunn and Mr Cohen have made it clear that the VCGR engaged senior counsel and a probity auditor — its own probity auditor — and that both that senior counsel and the probity auditor engaged by the VCGR regarded the way in which those reports had been prepared as appropriate.

For reasons that have not been made clear — reasons that have been refused to the committee — the government sought advice from the VCGR and from the Solicitor-General, and it rejected the reports that had been prepared by the VCGR. It subsequently rejected amended reports that had been prepared by the VCGR. Mr Dunn, in his evidence, described the issues in dispute as being matters of form over substance. In his evidence Mr Dunn said:

Thereafter —

after the presentation of the reports —

I heard nothing about this matter until 25 July 2006 when I was asked in the company of Mr Cohen to attend a meeting with Mr Kennedy and Mr Lampe. This meeting took place at 1.15 p.m. and lasted approximately 45 minutes. Several matters were discussed relating to the form, rather than the substance, of the report and it was intimated that the Solicitor-General's advice might be sought.

So the committee has been asked to accept that this process has been delayed for two years, that the reports of the VCGR were rejected, that amended reports of the VCGR were rejected, that new commissioners were appointed and new reports drafted simply by virtue of matters of form over substance.

I have to say, in the absence of any evidence to that effect presented to the committee, in view of the government's refusal to present evidence as to why the reports have been rejected, it is stretching credibility for the committee to accept that this process has been delayed for this period simply because of matters of form over substance — that the layout, the content of the report, did not meet the requirements of the government, and therefore this process has been held up two years.

Mr Drum interjected.

Mr RICH-PHILLIPS — Mr Drum says it did not have the correct borders.

It is testing credibility to say that this process has been delayed because the defect in the reports relates to form rather than substance — but that is the evidence that has been given to the committee, and the government has refused to detail why these reports have been rejected. It is for that reason that this motion before the house this morning seeks to have those reports presented so that once and for all we — the house and the select committee — can clarify why this process has been delayed and why these reports have been required to be replaced.

What is so deficient about these reports that this process has been delayed for two years? What we are seeking to do with this motion this morning is to lift the veil of secrecy from these deficient VCGR reports and cast light on the real reason that this process is now two years behind schedule.

I would like to turn to the mechanics of this motion. This motion relies upon a sessional order — sessional order 21 — that was adopted by the Council on 14 March this year. This debate in my view is not about rehashing the arguments about the powers of the Council that were canvassed during that debate on 14 March, but I place on the record that the reason sessional order was adopted in March was to set out a process for the supply of documents by the executive to the Council, to clarify how that would be addressed and how the presentation and management of those documents would occur. The motion that I have moved this morning seeks merely to have those VCGR reports

dealt with in the manner that the Council saw fit when it adopted that sessional order on 14 March.

Anticipating the government's objections to this matter, I note that following the adoption of that sessional order the Council sought a legal opinion from Mr Bret Walker, SC, at the request of the Leader of the Government, and that was tabled in this place on 6 June. Mr Walker dealt specifically with the capacity of this chamber to seek documents from the executive. Responding to the brief that was provided to him by the Clerk, he addressed specific grounds on which the government may seek to prevent the presentation of documents. The first issue he considered, putting aside cabinet documents, was executive privilege.

Mr Walker was unequivocal. He said no, a claim of executive privilege is not grounds to prevent the presentation of a document to this house. On the issue of commercial in confidence he again unequivocally said no, commercial in confidence is not grounds to prevent the presentation of documents to the chamber. On the issue of legal professional privilege his response was, 'Mostly not', that would not be grounds to prevent the presentation of documents to the house. The other criterion he assessed was the privilege against self-incrimination, in relation to which he indeed formed a view that privilege against self-incrimination would be grounds on which to withhold documents. However, he also noted that that would apply only to a natural person and not to a government, to which the motion before the house relates.

Other areas that I expect we will see canvassed by government members today in debating this motion relate to the notion that somehow the presentation of these documents to the Parliament will jeopardise the tender. On the face of it the argument that this will jeopardise the tender seems plausible until you actually consider the position that the tender has reached. This process is now two years old. The two applicants for lottery licences, Tattersall's and Intralot, were required to submit their final applications in early 2006. There is no capacity for this tender process to be jeopardised because there is no capacity for either of the bidders to alter their applications.

The applications are in the hands of the government for assessment, and the only way the process could be jeopardised would be if we were to believe that because of the presentation of these documents to this house the government would somehow or in some way change the way in which it would assess the applications. The tender process is beyond the stage at which it can be jeopardised because the two bidders are in no position to change the nature of their applications. It would only

be through the actions of the government in changing its response to the applications that any doubt about the tender process could arise.

The other area I would like to touch on briefly — my colleague Mr Guy will be expanding on this — is the argument that these documents not be presented on the grounds of commercial in confidence. In response to that argument I draw the attention of the house to the brief: the notice published in the *Victoria Government Gazette* that sets out the terms of the tender process. Part 3.10, which every registrant and every applicant was required to sign up to, provides confidentiality provisions. Part 3.10 states:

Information in a registration of interest and any application for a public lottery licence may be disclosed:

- (i) where required by the Auditor-General, the Victorian Parliament or any relevant committee of the Victorian Parliament ...

Every registrant and every applicant under this process went into it with their eyes open. In the document they agreed to when they submitted their registrations of interest or their applications it was made clear to them that their applications and their registrations may be subject to presentation to the Parliament of Victoria or to one of its committees. In my view it is not grounds to say these reports should not be presented because they contain commercial-in-confidence information. The bidders went into this process with their eyes open and knowing by virtue of the brief that these reports and their commercial information could be made available to this Parliament and to this house.

The documents the Council is seeking under this motion are absolutely central to the understanding of what has occurred in the public lotteries licence process. Evidence from government witnesses before the select committee suggests that the VCGR reports were so deficient that the public lotteries licence process has been delayed for almost two years. This has jeopardised state revenue, required an ex gratia extension of the existing licence for the incumbent operator and caused enormous inconvenience and uncertainty to the two short-listed bidders who submitted their registrations of interest over two years ago. Only through the production of these VCGR reports will the Council and its select committee be truly able to determine what has occurred with the public lotteries licence process. I commend the motion to the house.

Mr PAKULA (Western Metropolitan) — I am glad I had the exchange with Mr Drum during the contribution by Mr Rich-Phillips, because I think it was

the only way I remained conscious. I certainly hope that what Mr Rich-Phillips was suggesting was something more than, ‘We need to see these documents because we believe that there was a defect in the tender process or a defect in the awarding of the lottery licence’, because, frankly, we already knew that. The government actually announced that some time ago, and that is why it was delayed. It was always my understanding that the inquiry was about finding out something a bit broader than that. Whilst Mr Rich-Phillips has spent a lot of time going through the technical reasons why he thinks the Parliament is entitled to these documents, what he did not outline was why the Parliament should have them.

The government has said from the beginning of the setting up of this inquiry that it was nothing more than a political witch-hunt. but the inquiry itself has shown that it is in fact much more than that and much worse than that. It has actually been a crushing waste of the time, resources and energy of a whole range of players: the Parliament, the members of the committee, government departments, private citizens, corporations, and public servants and probity auditors. It has been an absolutely destructive and crushing waste of the time and resources of all those participants, all of whom have been required to stop whatever productive work they were doing and come to the Parliament to participate in what has been nothing more than a farcical Liberal Party hit-and-hope exercise. The inquiry has been nothing more than a gigantic fishing expedition from the beginning. It is an inquiry set up in the vain hope that the Liberal Party might find something. That is why all of this has occurred.

Mr Finn interjected.

Mr PAKULA — I could try, Mr Finn, to find my own words to describe it, but I think Mr McIlwain, the chief executive officer of Tattersall’s, said it best when he was quoted in the *Age* of 23 February 2007 as describing the establishment of this committee as ‘a preposterous and stupid waste of taxpayers money’. From the beginning, the Parliament never had anything like the proper basis to conduct an inquiry of this type. There was never a shred of evidence of corruption, ministerial interference in the licensing process or breaches of probity. There was not one tissue of evidence, yet the inquiry was created.

The inquiry was effectively set up because of a series of newspaper headlines that were based on nothing but rumour and innuendo. When you reflect upon the timing of those headlines, you notice they appeared during the time of a bitter court battle between Tattersall’s beneficiaries and Tattersall’s trustees,

where not insignificant amounts of money were at stake — up to \$100 million, if newspaper reports and evidence are to be believed — —

Mr Guy interjected.

Mr PAKULA — My point for Mr Guy is that the opposition set up an inquiry into headlines in a newspaper. That was the basis of this inquiry. The opposition saw headlines in a newspaper, and an inquiry into those headlines was set up. Even Mr Guy might concede that up to that point, that was a pretty flimsy basis or a pretty flimsy set of circumstances for seven members of the Legislative Council and countless other people to spend months and months conducting an inquiry. That was the way the committee was established.

Given the basis of the inquiry was so flimsy and so shallow, one would have hoped that at least some of the witness evidence that was subsequently presented to the committee might have given the Legislative Council some reason to believe there was a proper basis to conduct this inquiry; that something might have been elicited from the witness evidence that would make it all worthwhile. So far the committee has heard not from 1 witness or 5 witnesses but from 17 witnesses — and the sum total of the evidence of those 17 witnesses is that there has not been one single, solitary piece of evidence presented by any of them of executive interference in the process, of favourable treatment, of promises of favourable treatment, of threats, of bullying or of any defects in probity. Not one of the witnesses — and let us forget government witnesses — has provided such information. The only evidence that has been elicited has been of a process that has been pristine, bomb proof, free of ministerial interference, involvement, knowledge, winks, nods or anything of that nature whatsoever.

From the first day of public hearings, not just opposition members but government members have invited witnesses to testify to any of that. Mr Viney and I have invited them to testify to ministerial interference, to ministerial involvement, probity breaches, to improper assurances of favourable treatment. We have invited them to do it, and the witness evidence tells the tale of the process. I will take up some of the Parliament's time in going through just some of it.

Ms Armytage, the Secretary of the Department of Justice, was asked by Matt Viney:

... it is fair to assume that there has been no executive interference in this tender process?

Ms Armytage's answer:

No, we have not had any concerns that we have breached any of the probity requirements.

Mr Ross Kennedy, the executive director of the Office of Gaming and Racing, said:

... the probity arrangements for the lotteries licence, in particular, are extremely robust.

Mr Alan Clayton, the director of gambling licences review for the Office of Gaming and Racing — —

Mrs Peulich interjected.

Mr PAKULA — If Mrs Peulich waits, what will be established is that Mr Bracks has absolutely nothing to answer for, because not one witness has provided a single piece of evidence that the former Premier did anything wrong whatsoever. Mr Alan Clayton, the director of gambling licences review for the Office of Gaming and Racing, said:

I would rate it as a very high standard of probity ...

Mr Viney pressed him:

Were you made aware at any point in your time here, or were you made aware prior to your appointment, of any suggestion of executive — that is, ministerial — interference in the process?

Mr Clayton replied:

No.

His predecessor, Mr Garth Lampe, said:

... there was no interference from ministers on this process, from start to finish, during my involvement.

Mr Ian Dunn, the chair of the Victorian Commission for Gambling Regulation (VCGR), was asked by Mr Viney:

Are you confident of that probity process that they have put in place?

Mr Dunn replied:

I was very confident of it.

Mr Viney pressed him:

Do you remain confident that it has as a probity process worked well?

Mr Dunn said:

Yes.

Mr Rich-Phillips was very keen to quote Mr Cohen in support of his motion today, but Mr Cohen's evidence was very clear:

... there has been no improper interference in this process by any person.

Harry Boon, the chairman of Tattersall's, said:

... I have had no cause to be concerned about the probity of the process.

Witness after witness after witness has given evidence that there has been absolutely not a single problem in terms of the probity of this process.

Mr Guy — Gagged!

Mr PAKULA — Mr McIlwain, the chief executive officer of Tattersall's, is not someone the government can gag, as Mr Guy saw very clearly during his evidence. He said:

There is a very thorough and ongoing process in Victoria.

In the press he has been quoted as saying the process is bomb proof. Mr Viney put to him:

Did anyone suggest to you that there was a done deal or that you were in a favoured position?

Mr McIlwain answered:

No, they did not, but even if they did, I would not believe them.

Mr Gunston, the chief financial officer —

Mr Guy interjected.

Mr PAKULA — You're very good at impugning the motives of every single witness, because none of them told you what you wanted to hear.

Mr Viney — Every one of them lied!

The PRESIDENT — Order! I am not going to have a cross-chamber debate going on. If members want to talk to each about any matter regarding this particular issue, they should do it outside. Mr Pakula will address the Chair.

Mr PAKULA — My apologies, President, and through you: Mr Guy is very adept at trying to impugn the motive of every single witness who has appeared before this inquiry, and he does so because not one of them told him what he wanted to hear.

I read to Mr Gunston, the chief financial officer of Tattersall's, a quote from Mr McIlwain, which was:

I go in to see a minister, you mention the 'L' word, they will just not talk to you.

The 'L' is obviously 'licences'. I put to him:

You were involved to some extent in the process of putting the bids together as well. Is Mr McIlwain's experience and your own experience the same?

Mr Gunston replied:

Yes.

Then the committee heard from Mr Hornsby; he is one of the former trustees and one of the two people that the member for Malvern scurrilously relied upon when he did his doorstops and said that there had been two witnesses who had shredded the former Premier's reputation. This is one of the witnesses whom Mr O'Brien relied on when he made that inflammatory, implausible and wrong media comment. This is what Mr Hornsby actually said during the hearings:

There were no promises, undertakings or even inferences that there would be any preferential treatment for Tattersall's in the ongoing licensing arrangements.

He was one of the Liberal Party's star witnesses! I repeat what he told the committee:

There were no promises, undertakings or even inferences that there would be any preferential treatment ...

Then we came to Mr Guy's star witness, Mr Kerr, and the marvellous bit of repartee between them. Mr Kerr was the witness whose evidence generated the headlines that we saw in the *Herald Sun* the next day. Those headlines were, in the government's opinion, the entire purpose of this inquiry — the entire, sole and singular purpose of this inquiry. But even Mr Kerr could not give any evidence of what anybody said that was a breach of the process. He was asked specifically by Mr Kavanagh:

Was there any indication that Tattersall's would be more favourably treated?

To which he answered:

No, we were not looking for favourable treatment.

Mr Kavanagh pressed Mr Kerr on whether he thought Tattersall's would receive any kind of favourable treatment over its competitors from the Victorian government. Mr Kerr said:

No, I felt we would have licences renewed on our merits.

So even Mr Kerr, the witness who supposedly provided all the damaging evidence against the government, said he did not believe they were going to get any favourable treatment and had no promises of favourable

treatment. Even in his evidence about his confidence in the ongoing duopoly, his words were to the effect, 'No. I cannot recall anything Mr Bracks actually said, but that was the level of comfort going around in my brain at the time'. It was his own perception of what had been said.

Then we had Mr Sheehan, who is a director of Intralot and someone who one may consider could have been potentially aggrieved. Again, he was asked by Mr Kavanagh:

... you have confirmed today that you thought probity requirements were strictly enforced ...

To which Mr Sheehan answered:

That is correct.

Then we came to the former chief executive officer of Tattersall's, Mr Fischer. This is the witness opposition members do not want to talk about, because they spent 20 or 30 minutes trying to smear him or discredit him and they were unable to do so. In his questioning of Mr Fischer, Mr Guy first tried to invent a friendship between Mr Fischer and the former Premier, which did not exist. There were suggestions of dinner invitations, which were wrong and scurrilous. There were pathetic attempts to tie the former Premier's wife, Terry, into this somehow, and through Mr Guy's potent combination of fact-free innuendo and stunned silence we were able to elicit from Mr Fischer the following: that he was not the same Duncan Fischer who was an associate of PCH Melbourne, that he had never been invited to the Bracks's home for dinner, that he had never socialised with the Bracks family and that Western Chances, a well-known Victorian charity, was one of the numerous charities that Tattersall's had donated to. What earth-shattering revelations they were!

When that attempt to discredit and smear Mr Fischer had failed what we were left with was his evidence, and it was pretty clear. First of all, before the February 2003 boardroom lunch there was:

... a requirement for us not to talk about licences ...

That was a requirement that was conveyed to the board, and it was a requirement that was confirmed in evidence by Mr White.

We then get to the *raison d'être* of this whole farcical waste of time and resources — that is, did the Premier discuss gaming licences at a boardroom lunch in 2003? On that Mr Fischer's evidence is abundantly clear. He said:

No; the Premier was very careful with his words, in what he said. He said simply, 'I will make sure that a proper process takes place'.

Please tell me that that is not what we have spent months trying to find out!

Two key allegations were made by Mr Warner in his series of articles, which coincidentally were always backed up and confirmed by the spin put out by the member for Malvern: firstly, that Tattersall's had been somehow bullied into listing; and secondly, that Tattersall's had been given the nod on licences. On that Mr Fischer said again very clearly:

We were never threatened, and we never got a nod ...

So despite 17 witnesses all saying that there has not been a single piece of impropriety, a single piece of ministerial interference, a single shred of evidence of any of the opposition's key contentions, Mr Rich-Phillips still comes here with this motion to table confidential VCGR reports.

Like Mr Rich-Phillips I do not intend to reprise my contribution from the debate on 14 March other than to say that all of the statements and all of the submissions made by me on behalf of the government then remain our view today, and the record should show that. Certainly, for numerous reasons which have already been contemplated by the Council, we do not believe the case of *Egan v. Chadwick* applies, as was put by me in that debate. We do not believe it is appropriate to disclose documents which would disclose the opinion given to government by law officers. We do not believe that is in the public interest.

In his contribution Mr Rich-Phillips said that Mr Walker said that in most cases legal professional privilege would not apply. We say it does apply. That has been our view; it was put on 14 March and it remains our view. Commercial in confidence in these tender processes is not an abstract concept. It is extremely important that commercial in confidence be respected when applicants tender on the basis that their personal and financial information will not be disclosed. When they understand that it will not be disclosed, it should be disclosed only for the most significant of reasons, none of which have been elicited by the opposition.

We knew about Mr Rich-Phillips's motion when the probity auditor, Mr Walsh, appeared before the committee, so we had an opportunity to ask him about the impact of the disclosure of commercial in confidence on future tenders. I put to Mr Walsh:

I want to go to the issue of the process and commercial in confidence. Would you agree that if businesses became reluctant to provide commercial-in-confidence information as part of the tender process, then that would undermine a government's ability to make a robust assessment of bids?

He replied:

Yes, if there is a lack of confidence in how commercial-in-confidence material is to be treated, then people will hold back information. They will be reluctant to offer up all that is required to facilitate an efficient assessment.

So when Mr Rich-Phillips says that the tender process is almost over, so we do not need to worry about it, he seems to forget that there will be other tender processes and potential tenderers will view what happens in this chamber and will make an assessment of their preparedness to fully and frankly disclose and to participate in government tender processes in the future if their personal information is going to be trampled all over by a politically motivated resolution of the Legislative Council.

Then we come to the very simple and salient point — that is, we do not believe that the opposition can be trusted with this information. The fact is — —

Honourable members interjecting.

The PRESIDENT — Order! The member, to continue.

Mr PAKULA — The fact is that the form in regard to this has been clear. The form is clear.

Mr P. Davis — You have been here 5 minutes. You have no right to make such a comment.

Mr PAKULA — You might want to calm down, Mr Davis. The fact is that we have had material that has come before the committee time and again which has found its way into public forums.

Mr Guy — Via the Labor Party.

Mr PAKULA — So much for Mr Davis's self-righteousness, Mr Guy; so much for that.

On 1 May there was material provided to the committee by a firm of lawyers, and within a week verbatim parts of that material found their way into the *Herald Sun*. There were numerous pieces of material which came before the committee which found their way into the media. I do not have and nor does anyone else have any way of knowing how that occurred, but the fact remains that material which should have remained privileged and confidential ended up in the newspapers. For the opposition to say that confidential VCGR reports which

may be presented to this house have no chance of appearing in the newspapers is simply disingenuous, because oodles of material has already appeared in newspapers.

Just last week the shadow Minister for Gaming, the member for Malvern in the other place, Mr O'Brien, in a media doorstep interview, had in his hand a set of boardroom minutes which had been evidence before the committee. Fortunately there was one journalist — I think it was Mr Boreham — who understood the import of that and asked Mr O'Brien where he got the minutes. The exchange that followed was less than convincing.

Journalist: And where have you got those notes from, these notes, are they public documents?

O'Brien: Ah well, these minutes have been ah, they have been provided to the committee, but I have actually obtained them through other sources, ah and I can make them available.

Journalist: Or did you get them from a committee member, or today? Where have they come from?

Members should bear in mind — —

Mr Rich-Phillips — What was the response?

Mr PAKULA — I will come to that and I will read it out; Mr Rich-Phillips should not worry. Members should bear in mind that these are pieces of paper that Mr O'Brien should never have had.

O'Brien: Ah, um, these, they are boardroom minutes, um so I have obtained them through ah through my own sources.

Journalist: Internet, or, they are not widely available, though, on the internet or anything like that?

O'Brien: I don't, I don't, I don't believe so, but I am happy to make them available to the press as far as I understand there isn't any problem with me making them available. I will just take some advice on that just to confirm it ...

Why did he need to take advice about that if he received the minutes from other sources? He then said:

... I don't understand there is any prohibition on me making this available to you.

Mr O'Brien has a serious question to answer: did he get the minutes from a committee member or did he get them from another source? And if so, which source? Was it the same source who was leaking material to the *Herald Sun* from the get-go? Was this all along a very neat collaboration between a single source leaking material to the media and leaking material to the Liberal Party simultaneously, or has there been a breach of privilege? We do not know, and I suspect Mr O'Brien will not tell us.

For the Liberal Party to be engaging in this sort of self-righteous hankering and saying, 'Oh dear, how can you say such terrible things about us?' is a little bit disingenuous given the history of this process.

Finally, we specifically put the question about the tabling of this report to the probity auditor. The transcript reports that I asked:

What do you think, given that we are in the middle of the licensing process, of such a bid — a bid to have confidential VCGR reports tabled?

Mr Walsh replied:

I would be concerned that if there were material in the public domain, that that might adversely impact this process.

We can either take the word of Mr Rich-Phillips on this issue, or we can take the word of the probity auditor who has said that this issue might adversely affect the tender process.

There have been 17 witnesses and there has been no evidence of anything improper. The probity auditor has said that if we table these reports the tender process might be negatively impacted upon and there may be a potential impact on future tender processes, but the Liberal Party does not care about any of this so long as it gets another headline. The Liberal Party does not care about wasting the time of the Parliament, private citizens, corporations and public servants so long as it gets another headline. This has been from the start a futile, fruitless and ultimately failed fishing expedition by the opposition for no other reason, it appears to me, than allowing the member for Malvern to get a couple more doorstep interviews and to get his head on the telly a couple more times. Given the pretensions of the member for Malvern, I cannot, for the life of me, understand why Ted Baillieu, the Leader of the Opposition, thinks that is a good idea. This has been a monumental waste of the time of the Parliament and dozens of people. This motion is about one more headline; the provision of these documents may significantly damage a live tender process. The motion is utterly irresponsible and ought to be rejected.

Mr BARBER (Northern Metropolitan) — President, I am going to tell you a story.

The PRESIDENT — Order! I hope it is relevant.

Mr BARBER — It is very relevant. In 1996 Labor and Democrat senators of the federal Parliament set up an inquiry into the tendering process of the Victorian casino. The concerns they had at that time — I have read the debates on the motion to set up the inquiry — were that there had been revised bids by applicants

during the tendering process; they seemed particularly concerned that a senior Liberal Party figure, who was the Liberal Party treasurer, Mr Walker, was a member of one of the bidding consortiums; and they were also worried that a minister or ministers might have received information during the process that would have disclosed details of some of the bids.

The Kennett government at that time branded that inquiry to be a McCarthyist witch-hunt. It claimed executive privilege and commercial confidentiality over every aspect of the committee's inquiry, and it gave blanket non-cooperation to the inquiry.

Members from both sides of this chamber need to hold up a mirror; when they hold it up they will see Jeff Kennett looking back at them, probably winking, with an impish kind of look on his face. When the inquiry closed, Labor members, who had been unable to pursue the inquiry the way they wanted to, nevertheless called for a royal commission to be established. But not too many years later they were in government, and from my memory — I have not followed this part of the story — I do not think they then took that opportunity to establish the royal commission that senators Carr and Ray had so sincerely called for a little bit earlier.

There were a few other things that they said along the way. On the claim of executive privilege and secrecy, this is what the report of the Labor senators said, at paragraph 2.43.

In his letter to the committee the Premier of Victoria stated that the state of Victoria would assert its executive privilege if the committee attempts to obtain evidence from current or former ministers or public servants. Claims of executive privilege or public interest immunity have a long history which is outlined extensively in *Odgers' Australian Senate Practice*. The Senate has long maintained its right to determine what information or documents should be disclosed to it when claims of public interest immunity are made. The advice that the committee has received from both Professor Dennis Pearce and the Clerk indicates that the powers of the Senate under section 49 of the constitution override any claim to executive privilege or public interest immunity. This is in accordance with earlier resolutions of the Senate ...

In fact it was a 1975 resolution which stated that:

... upon a claim of privilege based on an established ground being made to any question or to the production of any documents, the Senate shall consider and determine each such claim.

Also, at paragraph 2.44 of that particular group's report the senators said:

The committee also sought advice on the issue of whether secrecy provisions contained in section 151 of the Casino Control Act —

that was of course the predecessor to the legislation that this current tender is subject to —

... memoranda of understanding and agreements as to undertakings of confidentiality prevent the giving of evidence by current or former state legislators, officials or consultants. The Clerk —

that is, the Clerk of the Senate —

was of the opinion that they do not. His opinion is supported by the views of Professor Pearce. This matter is extensively discussed in *Odgers' Australian Senate Practice*.

Certainly that was the attitude to this very question that was held by a couple of Labor senators back in 1996 in what seems on the face of it to have been an analogous situation.

Why are the Greens concerned enough to support this motion calling for particular documents? The reason relates specifically to the responsibilities of the Victorian Commission for Gambling Regulation (VCGR) in this process. We have now received some information — in fact we received it because the probity auditors provided their documentation to the inquiry, as they should have — which indicates that the cause of the delay, the cause of the hiccup and the cause of the trip in this tender was the VCGR's inability to provide some advice to the minister on the probity of the applicants such that the minister could rely on it. I think it is fair to say that that was the situation.

That is a concern, because under the legislation that governs gaming the VCGR is established as an independent statutory authority whose job it is to do this — to give advice to the minister on the suitability of applicants — and for some reason which is not clear it could not do that and the tender has been delayed. I would also argue that in some ways the tender has been put at risk and the revenues of the state may have been put at risk, and that is a concern, because if the VCGR cannot perform that function to the requirements of the law and the satisfaction of the minister, then all the other functions that the VCGR is out there supposedly performing every day may also need to be inquired into.

Continuing through the witness testimony, we had the Department of Justice and the Victorian Commission for Gambling Regulation, I argue, still telling conflicting stories even when they arrived. Of course they used different wording to describe what the situation was, so there was no unanimity between the two groups even then. I have to also say that from the body language of both groups, which of course does not appear in the transcripts, when questioned about the delay and the disagreement it was very clear to me that

this was a very uncomfortable situation. There was still a real level of disagreement between these groups about the requirements of the job.

Ultimately of course after a number of attempts at providing different drafts of their advice to the minister, new commissioners had to be brought in and sworn in so that a complete fresh slate could be the basis of a new set of reports.

Mr Pakula said that this whole thing had been a monumental waste of time, but of course logically you could argue that if this inquiry had gone on, if it had been very vigorous and if it had had all the information that it needed and it did not find the things that Mr Pakula was stating, then that would not be a waste of time, because if that were to be the conclusion of this committee, that would then, if you like, clear the government.

In fact the government would be able to say, 'We opened the books to the entire Parliament and even to our worst political enemies over the road here, and they could not find anything'. Would that not be a reason why the select committee — or any select committee overlooking an important function — could never be considered to be a waste of time?

The government, though, has not opened up the books the way the committee asked it to, and this motion is a further attempt to obtain specific information. The government did have options along the way, though. It could have given a better accounting of this VCGR issue than it did. It could have offered in-camera testimony to members of the committee. It could have even put an offer out there through some sort of process of negotiating to release the information post tender. It has not done that. It has simply shut down and said, 'We are not giving you anything'.

What is left at the end of that process of inquiry is a general feeling, and a pretty clear understanding in my mind, that some arm of government stuffed up, but, conveniently for it, we cannot tell you how it stuffed up because of all these official secrecy provisions. It seems that the more sensitive an issue is and the more secretive it is, the less able we are to actually inquire into the issue, despite its incredible level of sensitivity.

As far as the issue of commercial confidentiality goes, I have never felt as strongly as perhaps Labor and Liberal members do about the need for commercial confidentiality, but in this case we had the brief and the rules under which every tenderer knew it was making its application, which specifically stated, 'Your

application could at some time be subject to viewing by a parliamentary committee’.

I commend the government for putting that in its tender brief, because in fact it recognises the legal reality. The government now says it does not recognise that legal reality, but at that time certainly whoever wrote that recognised the legal reality and said, ‘Yes, I think it is fair to tell bidders that this stuff may eventually be scrutinised by a parliamentary committee’. That requirement is the price of doing business in Victoria, and I think it increases confidence, because anybody who comes to do business in Victoria now knows that if any question is ever raised, the Parliament itself is prepared to get involved.

I would be very concerned about putting in a tender if I knew that what looked like the major contenders had already obtained for themselves various ex-Labor ministers and so forth to be on their respective teams. Certainly the reason that Tattersall’s and others do not go and bid for a lotteries licence in Kazakhstan is that they know there are no such democratic structures in place there. It is actually too risky a proposition to go and do business there, because you would never know if you were getting a fair go. I commend whoever put into the tender brief the provision that says this material may be eventually scrutinised by a parliamentary committee. I hope that practice continues.

On the question of whether we have the legal power to call for the documents we are calling for today, as others have said, we have received advice on the matter from Mr Bret Walker, SC. I will quote a couple of the relevant paragraphs. Mr Walker wrote:

The general importance of the role of the Legislative Council, like that of any house in any Parliament in Australia, in responsible government lies in its capacity to scrutinise the workings of government, and particularly those of the executive, whose members (i.e. the ministers) sit in one or other of the houses (in a bicameral system). This need not be elaborated. I regard it as beyond serious question.

As does everybody else, I think, and as did Labor senators in their report on the Victorian casino tender.

Mr Walker also noted with regard to the specific construction of parliamentary privilege as we have it in Victoria:

It is tolerably clear from the precedents discussed in ch. XXI of *Erskine May’s Parliamentary Practice* 10th ed. (1893) that orders for papers were well established as within the power of the House of Commons before 1855. That chapter starts with the words — ‘Parliament is invested with the power of ordering all documents to be laid before it, which are necessary for its information. Each house enjoys this authority separately, but not in all cases independently of the Crown’.

It is obvious why that would have to be the case. We are here to make laws, and in order to make those laws we need the best information we can get. Parliament has made a law to set up a Victorian Commission for Gambling Regulation, and I am sure before too long we will be looking at that act again. The VCGR is an essential link in the system by which gambling is regulated, so of course members of this chamber need to understand how the commission works and that it is working properly to guide them in any decision they may make in constructing a relevant law. Mr Walker also noted:

The power in question is not, in my opinion, properly called ‘inherent’, at least in Victoria. The point probably does not matter. Upon the historical showing that the House of Commons had such a power in 1855, there is express statutory provision in the Constitution Act for the same power in the Legislative Council of the Parliament of Victoria. On the other hand, for reasons to do with the fundamental character of a house as the grand inquest of the nation, if it had not been a power expressly granted in Victoria, then in my opinion it probably would have been an implied power, inherent in the nature of a parliamentary chamber ...

It is not hard to understand. It is hard to understand when you are the government, but the test is whether when you are not in government or are not part of a government, as the Greens are not, you can keep your eye on the ball and understand what this Parliament is here for. Parliament stands in the place of the people between elections, so when the government says we cannot have this information, it is saying that the people cannot have this information.

On a final note, I urge the government to think about this: integrity and transparency, which government members talk about a lot, are not expressed in the things the government voluntarily decides to give to us. The government is not transparent because it decides to be transparent. The real test is whether the government respects the rights of the Parliament, standing in the place of the people, opens up its books and does so in such a way that it becomes involuntary and binds the government and any future government, including for that matter the Liberal Party, if it is to be in government in the future.

Mr DRUM (Northern Victoria) — Mr Pakula earlier explained to the chamber that opposition members could not be trusted. This has been one of the most amazing processes we have ever been through in relation to a government doing everything it can to stand in the way of an inquiry that has been designed to try to discover what on earth it was that caused this monumental stuff-up. We have given up our time and expended our energies and efforts to try to get to the bottom of what forced the VCGR (Victorian

Commission for Gambling Regulation) reports not only to be knocked back once but to be not accepted by the minister a second time.

By the way, Mr Pakula talked about 17 witnesses having come before the Select Committee on Gaming Licensing inquiry, but not one of those witnesses was able to answer all of the questions put to them in their entirety. They chose to say, 'I do not want to answer that', 'I am claiming executive privilege' or the like. It went on and on. Not one witness was able to fully answer the questions put to them by the committee. Some of them answered most questions, but some of them were like Mr Danny Pearson, who came before the committee last week with boxing gloves on and right from the first minute, right from the first question, said, 'Various ministers, various times — and I have answered the question'. A little attack dog is Mr Pearson. He came out with an attitude that simply said to me, 'What on earth is this man trying to hide?'. It was absolutely amazing.

Right from day 1 of this process the government in its paranoia has been only too willing to flex its heavy hand to ensure that the chance of any of this evidence becoming public knowledge or even knowledge of the committee was going to be railroaded and that the problems associated with its handling of the lotteries licence review process were never going to see the light of day. The government has been committed to that and has done whatever it has taken to ensure that the full truth in this matter simply does not become knowledge of the committee.

It was the VCGR that was vested with the responsibility of working through registrations of interest by those companies that wished to express interest in obtaining a lotteries licence for the upcoming 10 years. It was the VCGR that called for the tenders through that process. It was up to the commission to assess the tender documents and all the bid documents it had to work through. It was its responsibility to effectively prepare the reports and recommendations to give to the minister for him to make the ultimate decision or sign off on its recommendations.

The processes that were put in place are well documented. The script simply had to be followed. The probity measures that were put in place are quite substantial. There are restrictions on which individuals can actually receive certain information. Only certain members of the bid teams may meet each other; other people are not entitled to sit in on some of these meetings. A whole range of restrictions were put in place to ensure that the process is not damaged in any way. Probity officers were present at most, if not all, of

the significant meetings to determine how the report was eventually going to look.

It is difficult for members of the committee to accept the evidence that the minister was unable to accept the report simply because of a matter of form within the report. The process was simply too professional to imagine that a little bit of amateurism had snuck in amongst it. I approached this whole process in terms of hearing the information and making up my own mind about what has happened. The process has been impossible to follow. It has been very difficult to enter into this inquiry with an open mind and have the evidence determine whether something underhanded, incompetent or anything in between has occurred. It has been nearly impossible for someone with an open mind to ascertain that. That has been the absolute frustration with this process. For Mr Pakula to stand up here and say that committee members cannot be trusted is staggering.

In 2006 the first report was supposed to be handed in to the minister. I understand that it was the Solicitor-General, having looked over the document, who effectively said, 'I cannot let you accept that recommendation'. It was sent away to be done a second time, and two or three months later it came back. Lo and behold, the minister is again unable to accept the recommendation. I cannot believe that level of incompetence could exist within the structure that we have investigated. It is simply unbelievable that that could be the case.

Right from the start we have had issues with trying to ascertain what sorts of powers this all-party select committee of the upper house actually has in going about its work. Mr Barber has spoken about other inquiries that have taken place within the Senate, in which the government and opposition roles were reversed, and about how he and *Odgers' Australian Senate Practice* viewed the powers of the committee. I sat through that process. The chair of our committee, a Liberal member, said it is up to the Parliament to get the legal advice. You cannot get any better than that, knowing that we are going to go to a Labor member of Parliament, the President, and ask him to get legal advice as to where we stand as a committee in asking for documents and for witnesses to appear before the committee. You cannot get any fairer or more even handed than that. We waited a month to six weeks for that advice to come back. When it came back, it was quite clear that we had far-reaching powers, it was quite clear that if members of the lower house did not want to appear before the committee they would not be forced to and it was quite clear that cabinet-in-confidence documents were not to be shown to the committee.

However, effectively everything else was available for the committee to peruse and use as evidence.

The government did not like that response from Mr Bret Walker. With the heavy-handed, bullying tactics of the Attorney-General in the other place, it said, 'We do not like that. We will get our own Labor legal advice'. Shock, horror! The government came back with a different legal opinion. So effectively every witness who came before the inquiry pleaded the fifth amendment every time the questioning got hot. Whenever we were getting anywhere near the reasons why these reports were not accepted by the minister, the witness would, all of a sudden, claim executive privilege that was afforded to him by the Attorney-General's legal opinion. To have Mr Pakula say, 'You guys cannot be trusted', is an insult to the people he is talking about.

The government could have averted this investigation quite easily had it wanted to. Mr Barber has put forward some options that were available to the government in relation to giving evidence in camera, but it chose not to do that.

Hon. T. C. Theophanous — Did you enjoy David White turning up?

Mr DRUM — Mr David White was very interesting to listen to, Mr Theophanous. The evidence he gave was totally unbelievable, but not quite as unbelievable as that of Mr Danny Pearson. When you listened to the evidence, it was quite an unbelievable set of —

The DEPUTY PRESIDENT — Order! Mr Drum, without assistance and without cross-chamber talk.

Mr DRUM — Again, going back through this whole process, there are some aspects of the inquiry that I want to bring to the chamber's notice. It is worth remembering that it was the Solicitor-General who was quoted as saying, 'There has obviously been a miscarriage of justice in this process'. That statement of hers was quoted in three newspapers. She has since said that it is not an official statement, but effectively it was said by the Solicitor-General that there has obviously been a miscarriage of justice in this process.

Because of the fact that the Solicitor-General did not have to appear before the select committee and the fact that she is no longer using that as her official stance, we will never know what she meant by that statement. But it is an enormously powerful statement from the Solicitor-General of this state, to say there has obviously been a miscarriage of justice in this process.

Even former Minister Pandazopoulos, who effectively lost his ministry amongst this mess in a reshuffle at the same time, was quoted as saying, 'I cannot wait to appear at this inquiry so that I can set the record straight'. A lot of the mud that was thrown around in the media effectively was landing on Mr Pandazopoulos's desk and on his face, and he wanted to set the record straight. But it was this Labor government that effectively forbade Mr Pandazopoulos from following through on his own wishes and appearing before the committee.

As I said earlier, every one of the 17 witnesses has been unable to answer the questions that have been put to them, simply because they have claimed executive privilege or simply have not wanted to follow through on the answering.

The former Premier of this state, Mr Bracks, has had his initial story rebutted. When he was originally asked about this process, he said 'No, no, no' — he said no three times. He continually said, 'No, I did not meet with Tattersall's on this issue'. Then it was, 'Maybe. I cannot remember'. We had a couple of examples of that answer. The former Premier said, 'No, I cannot remember', and then effectively he said, 'Well, yes, I may have met with them, but we did not discuss the lotteries licence renewal process or their chances of being successful at it'. We have had examples of minutes of meetings going missing from public companies. We have had records of meetings either not being kept or having been shredded. We have had a whole range of unbelievable evidence from lobbyists that has simply been too weird to believe.

Hon. T. C. Theophanous — David White strikes again!

Mr DRUM — Right through, Mr White could conduct his business without keeping records, and Mr White and Mr Pearson could get paid substantial amounts of money — this is just for your information, Mr Theophanous — for preparing strategy documents they said they never acted on. They said that even though they were unable to further contribute to their company's chances of winning the lotteries licence, they had suddenly decided to put up the possibility of a success fee, some six months after the bidding process had started, and were therefore forbidden from having any contact with the government.

There was a range of evidence that was just staggering. As I said, once it got to the pointy end of the questioning we always had our witnesses adopting the fallback position that they had been put in place by the

government to simply avoid the necessity of furnishing the committee with those answers.

All I can say on this issue is that we have just been hampered and we have been frustrated, and we have been simply unable to unearth why it is that Victoria's revenue streams have been put at risk; why the many hundreds of thousands of Tattersall's agencies around Victoria have had to put up with uncertainty because they do not know what the future holds with the way this government has handled the process. If there is going to be a change, the government is running out of time to actually make that change.

The longer it goes before it makes its announcement, I would suggest — and the committee has heard evidence to the effect that this government probably has only another month left before it will either have to make its announcement for the third time or it will have to call for another extension — the more the government's incompetence on this issue is putting all of our Tattslotto outlets around this state on edge. If there is to be a change, we are running out of time to get the infrastructure and all the outlets prepared for that upcoming change, considering that that change has to be enacted by 30 June next year.

It is just staggering to believe what the government says. I can understand the commercial-in-confidence reasons, and I can understand the government having some concerns about certain documents making their way into the public arena. But I cannot understand the heavy-handed and underhanded manner in which this government has gone about stopping the justice of this committee getting to the bottom of the problem. That is what I cannot understand.

I cannot understand why any member of this Parliament would stand up and say, 'You blokes cannot be trusted', when it has been this Victorian Labor government that has acted in the most deceitful manner possible to ensure we do not ever find out whatever it was that went wrong with the process.

Mr GUY (Northern Metropolitan) — A number of speakers to the motion today have talked about this process and about the motion moved by Mr Rich-Phillips. Without rehashing the technicalities in a lot of the contributions that have been made so far, I want to refer to just a couple of very basic points while here yet again in this chamber we are involved in a fight to get documents out of this government. It is a government that claims it has nothing to hide, a government that claims the process is 100 per cent ridgy-didge, that it is fine and there are no problems whatsoever, and yet it has gone to every length to

obstruct, hinder, avoid, gag and do everything possible to ensure the select committee cannot do its job properly.

It is worth noting yet again, as I have often said, that if democracy is such a farce, which is what Mr Pakula earlier said in effect, then that is a stark reflection on those who sit opposite and who have, as I have said, sought to hinder the work of the committee, hinder the ability of the Council to establish committees independently, hinder the right of the people who have elected members to this chamber to establish this committee to do its job and hinder the right of this Council committee to go away and obtain information in a fair, reasonable and proper manner.

Hon. T. C. Theophanous — Who reformed this Council?

Mr GUY — If Mr Theophanous has nothing to hide and if the government has nothing to hide, then he should not have any problem supporting the motion moved by Mr Rich-Phillips today. The government claims to have nothing to hide and claims to be open and transparent. As Mr Barber said earlier, it is not something that you earn, a virtue that you come to government with and run your administration by — and yet it seems to be something that the government puts on press releases but does not adhere to. The fact that we are again fighting for access to documents today, months after we started to do this, from the very start shows that the virtues the government claims of openness and transparency have been a farce — they have been a farce from the very start.

As Mr Rich-Phillips said earlier, the importance of these documents is paramount. These documents are part of a delayed process, a process that has been going on for a number of years and has been delayed again for another two. First of all we had a report on probity that was rejected. Then we had a second report on probity that was rejected, new commissioners put in place and a third gaming minister in 12 months, yet the compelling question still has not been answered. That question is: why have we had three reports? If the process is perfect why are we at this stage yet again? Why do we have to ask for these documents? Why do these documents actually exist, if the process is perfect?

The reality is the government has never answered that question. No-one has ever answered that question. No witnesses have come before the committee and been able to say, 'The process is 100 per cent, absolute, swear-on-the-Bible perfect', because if they had, why do we have three reports? Why have we had three ministers? Why are we here fighting for this

information to become public information? I say again: if the government stands by its word, if government members believe the process is perfect — and they claim it is — they should have no problem in supporting Mr Rich-Phillips's motion today. But it is obvious that there are issues for this committee to examine, which is why it was established. It is also obvious that the government has problems with those reports being released, because there have been problems in the past. They are problems the government is seeking to avoid, and the government has sought at every level to hinder public servants from giving proper and open evidence to the committee.

We just have to look at the people who have appeared before the committee — the justice department, the Victorian Commission for Gambling Regulation (VCGR), the gambling licences review team and the Solicitor-General. They have all been gagged, and I will come to that in a moment. There is also the material in the correspondence that was sent to the committee and the similarity of wording between all the correspondence, which was no doubt drafted in the Attorney-General's office. There was the refused information sought from the former minister, Mr Pandazopoulos, who refused to attend the committee.

If he has nothing to hide — if the government stands by the process that Mr Theophanous gloats about for the establishment and reform of the chamber and has got nothing to hide — then he should appear. It is not hard. It is the same with the former Premier, Mr Bracks. If he stands by his word, he should appear before the committee and put his hand on the Bible. It is not hard.

Hon. T. C. Theophanous interjected.

Mr GUY — The same with Mr Brumby. He refused to appear before the committee. If there is no problem, if the process is fine, they will have no problem with coming before the committee and telling their story.

We have also had the situation where staff who are integral to this process have been refused permission by the government to appear before the committee. The government says, 'We have an open and transparent process, but you have to take us on our word because we are going to gag every single person in the process who is going to appear before the committee'. That is what has happened. We have been asked to take the government, as Mr Rich-Phillips said earlier, at its word. Should we believe the word of people who have come before the committee? Obviously they have given sworn testimony, but there are simple questions which need to be answered.

One question in relation to Mr Duncan Fischer was as to when he attained probity. It was a simple question: when did the former chief executive officer of Tattersall's attain probity? When did he attain his first probity clearance? There was a question to, I think, the VCGR from Mr Viney — a very interesting and nicely arranged question — and of course the answer came back that it was after the 1996 election. 'It must have been under the Liberal government', was the answer that came back. Then we had the evidence from Mr Fischer, who said, 'No, I attained probity in August 1992 under then gaming minister David White'. Then we had the answer from David White, who said he believed Mr Fischer attained probity in 1994. We have three different dates as to when the chief executive officer of Tattersall's apparently attained probity in this state. The committee is asking for simple information as back-up material, which it should be able to obtain quite easily, but either it is being denied or incorrect evidence is being provided.

As Mr Drum said before, there has been a refusal of many witnesses to cooperate. I think the last public hearings were absolute, 100 per cent rolled-gold evidence of that, when we had the evidence of people who came before the committee and treated the committee with contempt. Mr Pearson and Mr White did not believe members of the committee had any right to ask the questions we were asking. They even said we had no right to ask the questions we were asking. But the committee had every right to ask those questions.

Hon. T. C. Theophanous interjected.

Mr GUY — I refer Mr Theophanous to the Hansard transcript. If he wants to go through it, he will see where Mr White and Mr Pearson actually said, 'You do not have a right to ask those questions', and, 'What gives you the right' — I think was the quote — 'to ask me that question?'.

Hon. T. C. Theophanous interjected.

Mr GUY — The right of that committee to ask questions of witnesses belongs to the people of Victoria who elect this chamber, who then form that committee.

Hon. T. C. Theophanous interjected.

Mr GUY — Through you, Deputy President, if Mr Theophanous or people in the Labor Party have nothing to hide and do not believe democracy has any role or function in their existence — I point to the fact that he wanted to abolish this chamber in the past — that is a reflection on him and not those appearing before the committee. We have had, as I have said, numerous problems with people giving evidence, with

the committee's ability to obtain evidence and of course with the continual letters to the committee from the Attorney-General, claiming privilege and commercial in confidence, cabinet in confidence and citing reasons why material cannot be given and presented to the committee.

We have had interesting examples. For example, the current chief executive officer of Tattersall's, Mr McIlwain, came before the committee and said, 'Before I took over, the record-keeping was atrocious. We could not find anything. I am afraid we cannot find the minutes that this committee is after'. And of course material that the committee was after was indeed found. It was found by the government, of all people. So Tattersall's itself is not providing back to the committee information which is readily available, which is very easily obtainable and which should have been provided in the first instance. It is incredible that the committee has to fight with private companies to obtain basic material such as minutes of meetings.

Again, I ask members to look at the interim report — and how many examples we have! There is the summons for ministers on page 17 — refused by the minister, by the Attorney-General; at page 19, papers and documents relating to public servants — refused by the minister, by the Attorney-General; the summons to the Solicitor-General — a letter back to us from the Attorney-General saying, 'No way. I have informed the Solicitor-General. The Crown's assertion of privilege is set out for your information'. The Solicitor-General has been gagged.

The reality is that the government does not want any of these people to appear. When they do appear they are operating under the laws and rules set down by the government, by these people's employer, by these people's boss. Yet the government comes towards the committee and says, 'You have heard no evidence to the contrary. There is no damning evidence against the government from our own public servants', despite the Attorney-General writing and intimidating the committee and those public servants who are appearing before the committee.

The letters and the material in the interim report show that the government has absolutely no intention of allowing these people to speak freely. We say: why can the committee not do its job? Mr Pakula said earlier that the committee has found nothing. It is very difficult to find information when you are constantly facing a stone wall put up by the government. The proof of this sits in this interim report, which contains the Attorney-General's four or five letters, as I have just mentioned, relating to the Solicitor-General, to public

servants, to ministers, to documents, all saying, 'We will not cooperate'. That is what the government thinks of the committee — and you wonder why the committee is having trouble finding material and is having to come back to the Parliament, as we are again today, to fight for simple material that should be provided to us. The government is going out of its way to gag the committee.

We have heard some very interesting arguments in this whole debate, and I heard again some bizarre arguments this morning from Mr Pakula about a breach of the tender process. Mr Rich-Phillips made reference to the brief, and I am sure all members are aware of the brief. It is indeed the rules and regulations. It sets out what can and cannot occur under this tender process. This is a very important point to note, because the government is in this chamber saying that material cannot be provided because it breaches confidentiality and that the committee has no right to seek that information. The tenders can and will be breached if this information is not presented.

I would have thought that the government is indeed contradicting itself by saying that material cannot be provided to the committee because it will indeed breach the tender process. As Mr Rich-Phillips said earlier, the two bids that we now have confirmed are in the final stages. The two bids have been with the government for a long time. So unless the government is saying that it is going to then go back to the two bidders and say to them, 'You can amend your own bid or come back to us and amend your bid based on the information from your seeing the others', the process will not be breached, because the tenders are with the government. They have been with the government for a prolonged time.

How can the committee breach the tender process when the tenders are with the government, and they have remained with the government throughout the life of this committee? Unless the government is saying to all members of the chamber today, to the public and to the media, that they themselves can be corrupted, their argument is a moot point. It is ridiculous because it is in no way possible for the tender process to be breached. Is cabinet going to be persuaded by public opinion, by the committee, by the debates in this chamber? Is the government saying that the minds of all of its own people sitting on the cabinet subcommittee will be altered by seeing this material — material which I would imagine they have already seen?

The government's point is to say that somehow a journalist at the *Herald Sun* or a member of this committee or a member of this chamber or a member of

this Parliament will have sway over the government to influence it in its decision on a process for tender bids that have been with it for a prolonged period of time. I will leave people to make up their own minds about that, but it might say something about the government or about the understated influence of people outside the government or the cabinet subcommittee. The government is indeed saying that its own process can be corrupted. I find it amazing that members of the government would come into this chamber to espouse that argument.

As I said earlier, there is a very important point in the brief relating to commercial in confidence. Mr Rich-Phillips referred to it earlier. The role of the brief is to set the rules for this tender. The government has said that the reports which we have talked about and which we are seeking today cannot be made available due to commercial-in-confidence issues. I would like to read from part 3.10 of the brief. I think it has been quoted before, but I would like to do it again because it is exceptionally important. It states, in part:

Each registration of interest and any application for a public lottery licence will be treated as confidential. Information in a registration of interest and any application for a public lottery licence may be disclosed:

- (i) where required by the Auditor-General, the Victorian Parliament or any relevant committee of the Victorian Parliament.

I would have thought that it is absolutely clear in black and white to this Parliament, to everyone here today, to the media, to the public and to the government that the rules set down by this government say that the committee has the right to obtain these documents. The only people who seem to have a problem with that are members of the government itself.

From the very start the government has had a problem with this select committee, as we know. It opposed its establishment, despite its crowing and howling about its openness and transparency. That openness and transparency seem to feature in press releases and hit the wall from then on. The government has opposed this committee and its operations from the very start. Government members have doubted its legitimacy. They have come to this chamber a number of times to seek to denigrate the committee, to put down the work it is doing and indeed to cast aspersions on members of the committee, on their honesty and truthfulness and on their behaviour.

I simply say in relation to Mr Pakula's comments that I do not know how material has come into the public domain. I give a commitment to the Parliament that I have not put any material into the public domain that

should not have been put there. I understand that other members would do the same. I cast no aspersions on others. That is up to them. I simply say that there is material that has been provided to this committee which we have been specifically asked not to refer to and not to put into the public domain. No-one, when confronted with the hard fact that it is essential to keep this material — —

Hon. T. C. Theophanous — Who gave it to O'Brien then?

Mr GUY — It is very different material, Mr Theophanous. No-one has acted outside of what they were asked to do. The members and secretariat of the committee have acted with absolute integrity — 100 per cent — when it comes to the importance of documents that have been sent to the secretariat. There has been no breach of the confidentiality of that material.

Labor members have tried to disrupt meetings, as members can see from the, I think, 17 divisions that took place in the meeting called to pass this document, for a start. The Labor Party has sought to gag public servants, as can be seen from the select committee's first interim report. The government has hidden behind commercial in confidence and cabinet in confidence. We have had hearings disrupted. Every time a member other than an ALP member began to question a witness, we faced constant interjections and abuse. It was not just a question of relevance. If members want to look at the transcript of the last hearing, they will see there were foul-mouthed interjections and offensive comments from some members of the committee, from Mr Viney. The committee is trying to do a very important job, and it is doing that job, even with the constant disruption by the government. We have also had the constant disruption and constant hindrance of people such as Mr White and Mr Pearson, who Damian Drum mentioned earlier, who have sought at every opportunity to not provide information to this committee when asked to do so.

I will make one reference to this from the transcript. Mr Kavanagh asked a very important question. He asked David White, 'Were there ever at any time any records?'. He was asking about records or notes. Mr White said:

I do not keep records.

Mr Kavanagh asked:

So there never were any records?

Mr White replied:

No.

Later on we found out that Mr White did indeed have records. He may have disposed of those records, which is highly questionable, but the reality is he did indeed have records. So in answer to a direct question by Mr Kavanagh, Mr White said something like, 'Well, I don't have records'. Later on Mr Kavanagh asked him a question to the effect, 'I asked you earlier whether or not you had records', and Mr White tried to avoid it, saying something like, 'Well I have records — sometimes I do, sometimes I don't. It depends on the meeting, and sometimes they are destroyed'. So the reality is that we have had witnesses to this committee who when given every opportunity to participate, should have been forthcoming but were not and who should have been cooperative but were not. Members of the government who sit on this committee have sought to obstruct, hinder, gag, cover up and do everything possible to ensure the committee cannot operate to its full potential.

I simply say in closing that the material we are seeking here today should not have had to come to Parliament. The material we are seeking today is material that any government that prides itself on open, honest and transparent administration, like the current government does, should have willingly provided to an independent, all-party committee of the Legislative Council. I simply say to government members today that their test on transparency, their test on openness, their test on whether there is anything to hide will come later today when Mr Rich-Phillips's motion comes to the vote. I urge members to support Mr Rich-Phillips's motion.

Mr KAVANAGH (Western Victoria) — As a member of the Select Committee on Gaming Licensing I would like to speak in support of some of the points that were made by Mr Drum, and especially those of Mr Barber, who summarised the situation very well.

Mr Pakula in his contribution gave a very powerful and eloquent presentation, but in my opinion it was a speech that was not quite on point. A lot of the speech was about the merits of the case for and against the government, and that is not something to be debated here today. What we are debating here today is whether or not the government should provide certain documents to this chamber. Mr Pakula also spoke at some length about certain breaches of confidence by some members of the committee. Again, I do not think that is quite on point. This motion before us is not about providing confidential information to members of the Select Committee on Gaming Licensing.

The government has had a long and consistent approach of obstruction when it comes to the Select Committee on Gaming Licensing. Following the President obtaining independent legal advice from one of Australia's leading experts on the subject, the Attorney-General took it upon himself, at his own initiative, on his own volition, to write to potential witnesses and present a contrary legal case, encouraging them not to cooperate with the committee.

On 18 July the Legislative Assembly passed a motion, the effect of which was not only insulting but wrong. It asserted false premises. It asserted that this chamber has no right to even ask that members of the Assembly might appear before a Legislative Council committee. We have also had a refusal by the former Premier, a man who, in my experience, is a man of honour. His refusal to appear before the committee and the refusal by other ministers or former ministers, shows that the government has been obstructionist at every opportunity. Indeed the government has created its own opportunities to be obstructionist when they did not otherwise exist.

Mr Pakula argued that the committee has been a monumental waste of time. If Mr Pakula is correct and indeed there is nothing for the government to be ashamed of or to hide, then such a finding, in my opinion, would not be a waste of time in any case. A finding by the committee that indeed the government has nothing to hide, a finding that it has been open and transparent in all processes, would indeed add to public confidence in the Victorian government and the Victorian Parliament. Surely that would be a very useful thing.

Mr VINEY (Eastern Victoria) — I think it is important in the context of this debate to get a fairly clear understanding of what is being asked for here. What is being asked for today is the release to this house of a set of documents that would reveal a whole range of things, including the commercial bids for the lotteries licence, but not only that, the release of these documents would reveal the assessment of those bids. Those assessments include, as we have heard under evidence, extensive research into the bidders for the lotteries licence process, not only through regulatory and law enforcement agencies in Australia — —

Mr D. Davis interjected.

The DEPUTY PRESIDENT — Order! Mr Davis is not in his place and his interjections are unhelpful.

Mr VINEY — Not only the assessment of those bidders through law enforcement agencies and

regulators in Australia, but the assessment of those bidders through international investigations, through cooperative arrangements between Australian agencies and Victorian agencies, and Victorian law enforcement agencies, and international law enforcement agencies and regulatory authorities.

What would the net effect of that be in future? Even if you were to say that in this case there is nothing to hide, let us open up all the books as there is nothing to hide, no-one has done anything wrong, and all of that stuff — even if we concluded all of that out of this process, what would happen in the future?

Evidence presented to the committee under oath from the Victorian Commission for Gambling Regulation (VCGR) said that it would not be able to get such information from those international agencies ever again, because information is provided to it in absolute confidence and on the understanding that those assessments by those agencies will never be revealed. That is the basis of the cooperation between regulatory authorities and law enforcement agencies across the world.

What does this do? If we go down this path, if this house goes down this path of demanding these documents, you can blow away all of those cooperative arrangements well into the future until Victoria could again gain the confidence of having reasonable cooperation and reasonable expectations of confidentiality in the future. That is what the opposition is putting at risk by this demand. That is not my assessment; that is evidence given under oath to the select committee by the Victorian Commission for Gambling Regulation.

Let us at the outset understand what would be the ramification of this house deciding to demand the release of those documents. When any member of this chamber votes that way today, they should think about that into the future. They should wear that in terms of how in the future in this state we are going to be able to properly assess applicants for public lotteries, other gaming activity and a whole raft of other things that we need so as to have cooperative arrangements with those international agencies. A whole raft of things covering government regulation, a whole raft of things covering the law, a whole raft of things covering criminal activity, a whole raft of things covering international criminal activity — that is what we will blow by demanding the release of these documents.

Let us just go down the issue of constitutionality. None of us wants to revisit the debate of March this year, but let us just go down it. We have heard before in debate

in this house the proposition in an opinion from Mr Walker that the house has these powers, but in the context of the law let us understand that these are just opinions. There is no defined example in Victoria of whether or not the house has these powers. It is not tested; we are dealing with legal opinion.

Some of us do not accept the opinion of Mr Walker. I heard Mr Barber; he gave an interesting assessment of the situation in relation to the commonwealth. That may well be the case in the commonwealth, but Victoria operates under its own constitution. We have other advice that says the Victorian constitution, which says that the privileges and powers of this house existed as at the House of Commons in 1855, are not the same as those existing in 1901 or in the New South Wales example. That is another opinion. We have different legal opinions from eminent people who are in conflict. The issue has not been resolved.

Members on the other side may wish to use this as a test case to try and resolve that in the Supreme Court of Victoria, through some mechanism or other. I am not sure if that is their objective, but we would argue that whatever the opposition or we might say in relation to the constitutional power of this house to demand documents that would otherwise be commercial in confidence or cabinet in confidence or executive privileged documents, we would say that, whatever the truth of that or whatever is the basis of all of those opinions, it is untested.

What we would say in relation to this is: if the house did have those powers to demand the release of documents that would otherwise be executive privileged documents, if it did have those powers, then surely those powers are reserve powers. Surely those powers would not be found to exist so that this house could demand any document for almost any purpose. If you are going to go down the path of breaking the longstanding tradition of there being executive privileged documents, surely that should occur only in the most significant and most extreme of circumstances.

I say to this house that after months of investigation by the select committee, after hours and hours of testimony to the select committee from 17 witnesses, the case for breaking executive privilege and for blowing the relationship between Victorian agencies, regulators and law enforcement and other international agencies and national agencies simply does not exist. There is not one shred of evidence or not one skerrick of evidence that anything improper occurred.

Mr Guy attempted to impugn my reputation by suggesting that I pre-arranged questions and answers; I regard that as a highly offensive criticism. He well knows that my policy in this place is to not ever ask for a withdrawal. I will dish it out, and I will take it. But let me say this: we have not met with witnesses in advance unlike what happened at a doorstep on Monday when Mr O'Brien, the member for Malvern in the other house, said that he and members of the Liberal Party had met with Mr Kerr. I do not know whether that includes Mr Guy, but that was his answer to a question.

We have not done it, but it appears under the scrutiny of media questioning Mr O'Brien has admitted the Liberal Party did it. Mr Guy impugned our reputation in relation to the way we have handled this. I say to Mr Guy that I have not met with one single witness. Mr Guy wants to impugn our reputation, but I am happy right here and now to put on the record — —

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! I remind Mr Pakula and Mr Guy that I will not tolerate the banter and interjection across the chamber. It is not helpful to what is an important debate. Mr Viney, to continue without assistance.

Mr VINEY — I am very happy to put on the record the strategy that Mr Pakula and I put in place in relation to these hearings. It is very simple: having been assured by people in the government that there was nothing to hide, we decided we would ask the questions directly — 'Did anything improper occur, were there any nods and winks, were there any suggestions of favouritism, was there any favouritism, was the probity process correct, was the probity process up to standard?'.

Mr Pakula and I asked those questions. That was the strategy we put in place at the beginning. We did not need to go and talk to any witnesses in advance. If someone took an aggrieved position, we were happy to hear it. Unlike Mr Guy, we were happy to listen politely to Mr Kerr's answers to questions — no interjections, no interruptions, no verballing. Mr Guy constantly interrupted, interjected and verballing witnesses during the whole process.

The approach or strategy we took was very simple: the government has nothing to hide, so we asked the hard questions; we asked whether anything improper happened. I invite members to read the transcripts because the only members on the committee who asked those questions were me and Mr Pakula. Everything else was colour and light. What faction was Mr Pearson

in? Was he in the same faction of the Labor Party as Mr Pakula and Mr Viney? They were some of the questions. For the record, we are not.

One question was about who might have met whom in the middle of the night. We ended up with evidence that the wife of Mr Fischer, the former chief executive of Tattersall's, accidentally bumped into Terry Bracks at the snow and had a cup of coffee. We got to that level of evidence. We had Mr Guy pursuing Mr Fischer about whether Tattersall's favourably treated a charity that Mrs Bracks happens to be associated with. We had Mr Guy running down and asking question after question of Mr Fischer about something that happened in the 1990s. He made all kinds of innuendos about Mr Fischer and what might or might not have taken place. It went nowhere. There were no subsequent questions and there was no subsequent allegation.

This has been an interesting process. We were the ones who asked witness after witness about the process. Penny Armytage described the probity process. She is a very experienced public servant — one of the best. Ross Kennedy backed up the process. He was the executive director of the Office of Gaming and Racing in the Department of Justice. I think Mr Kennedy said that he had served both Liberal and Labor governments in federal and state jurisdictions. This is what he said to the committee:

I think the probity arrangements and in fact the whole construction of the legislative scheme for gambling regulation is much more robust than we would find in other areas of government business, but the probity arrangements for the lotteries licence, in particular, are extremely robust. They acknowledge the need to ensure fairness to the applicants as well as the best outcome for the state, and there is a very well-documented process for document and information security, for the way processes will be followed, for the way evaluations will be conducted and the way conclusions will be drawn. I would say it is probably the most robust process that I have been engaged in in my career.

We heard similar evidence from Alan Clayton, the director of gambling licence review in the Department of Justice and from Garth Lampe, the former director in that position, and Professor Ian Dunn, the chair of the Victorian Commission for Gambling Regulation, backed up the process.

Peter Cohen's evidence was interesting. He is the executive commissioner of the Victorian Commission for Gambling Regulation. There are three central allegations from the opposition in relation to the matter of the lotteries licence process. One of those central allegations was that Mr White, a director of Hawker Britton, had supposedly been trashing one of the other bidders — namely Intralot. Through questioning, we

were trying to understand where this allegation came from, and, in his evidence, Mr Peter Cohen's indicated that in his discussions with Mr Bachelard from the *Age* and his subsequent reviewing of that, that it actually came from an allegation listed on Bracksed.com. Of course that website was being run by Stephen Mayne, who at the time was a candidate for People Power, so that was the political basis of that allegation.

The political basis of the other two central allegations came from the Liberal Party in relation to the allegation that Mr Bracks inappropriately discussed licences at a 2003 boardroom lunch with Tattersall's. All of the evidence says that that did not happen. I will come to the other allegation, which is in relation to whether or not Mr Bracks discussed whether Tattersall's should be a publicly listed company at a Christmas dinner in Lorne, and that that was subsequently passed on to the Tattersall's trustees in February 2004.

All of those central allegations — the three central allegations — can be clearly traced back to political motivation and to political operatives who made these allegations. But there is no evidence. In fact there is evidence to say that Mr Bracks did not inappropriately discuss gaming licences at the 2003 boardroom lunch. The evidence was that not only did he not discuss it, but that the board members were instructed that they were not to raise the issue. Indeed Mr White gave evidence — and I think Mr Fischer confirmed it — that board members were told, 'Should you raise those questions with Mr Bracks, the punishment will be that you will never see the Premier again'. That is the evidence we have had in relation to that. There has not been one shred of evidence that any such discussion ever took place.

We now come to the one remaining allegation — the third and final allegation — which is that Mr Bracks and Mr White had some discussion about whether or not Tattersall's should be a publicly listed company, and subsequently that information was passed to the Tattersall's trustees in February 2004. The only person who made that link was Mr Kerr, who we heard on Monday had discussed his evidence with the Liberal Party. Mr Kerr said that when Mr White said that they should publicly list — and he was of the view that this had come from the Premier, and I will come to the evidence that refutes this in a minute — he said that it was a bombshell. I think he said it was a 'blockbuster'. He said he had not expected that and did not think it was coming and that it was a terrible shock.

From Mr Kerr's own evidence, he clearly did not tell the truth, because earlier in the questioning he had been asked about a document that became famous on

Monday when Mr White questioned it. The document is purportedly some notes of a meeting that was held in November 2003 in 'our boardroom' — that is what it says — from one of the Tattersall's trustees. In that there are two occasions where it is discussed that Tattersall's should consider becoming a publicly listed company. One of the notes says:

The floating of Tattersall's is not a condition for obtaining a new licence according to the Premier and the inner sanctum in Spring Street.

These are supposedly words from Mr White. So they have discussed it in November 2003, and it goes on to contradict that by saying that Tattersall's should initiate such a move. But then Mr Kerr says three months later — in February, when Mr White says similar things to that meeting — it is a 'blockbuster'. Mr Kerr admitted under oath that he thought these were accurate notes of a November meeting where all of these issues about public floating were discussed, yet three months later he says it is a 'blockbuster'. Come on!

Mr Kerr admitted that this writing on the top of the document is his writing, so he is well familiar with this document. He admits that, in his view, it is accurate about the meeting — other people dismiss the accuracy. But three months later he says that despite what I have here — this document — what he remembers from the meeting in November is that this is a 'blockbuster'. What a load of nonsense! On Monday Mr White indicated that Mr Kerr was an aggrieved party in this matter, and I think his evidence needs to be taken as such.

But then we come to Mr Hornsby, who was present at both the November 2003 meeting and the February 2004 meeting. Let us deal with Mr Hornsby. Firstly, he said that Mr Bracks was absolutely proper in his boardroom lunch discussion in February 2003. He said he had never discussed gaming licences and he had no view that Tattersall's in any way had favourable treatment or was likely to get a licence in the future and that they had to submit on their merits. That is the first thing in relation to the boardroom lunch that Mr Hornsby said, but he also said that at no time did Mr White indicate that the view that was being expressed about the need for Tattersall's to publicly list was coming from the Premier. So another person at that same meeting contradicted Mr Kerr's evidence, which he contradicted himself from his admissions of November 2003.

Then we heard evidence from Mr Fischer, who also said that Mr White never indicated that the view about public listing came from the then Premier. Then we heard from Mr White, who said that he had never

indicated to the board that the Premier had that view and that he had never discussed it with the Premier in Lorne.

Let us sum up. The only thing that there is any possibility of out of all the evidence about the three central allegations is if you believe Mr Kerr, which of course is hearsay evidence. What are we led to believe here? We are being asked to believe that this is the evidence: Mr Kerr said that Mr White said that Mr Bracks said that Tattersall's should publicly list; but of course Mr Hornsby said that Mr White never said that Mr Bracks said that Tattersall's should publicly list; Mr Fischer said that Mr White never said that Mr Bracks said that Tattersall's should publicly list; and Mr White said he never said that Mr Bracks said that Tattersall's should publicly list.

The level of evidence we have simply come down to is who said what — he said, she said and no-one said. Based on that extraordinary level of evidence — he said, she said and no-one said — this house will have us throw out executive privilege and trash the arrangements between Victoria's law enforcement agencies, Victoria's regulators and the national and international regulators. Whatever view members of this house might have about whether or not the government is cooperating — and I respect the views and concerns that members might have about this — ultimately the decision that we are being asked to make today is to trash those arrangements and the longstanding arrangements of executive privilege.

The government cannot and will not reveal documents which will break those arrangements, because that would be the most irresponsible action government could take. When you are elected to government, you are elected on a simple mandate to govern well, not just for your own term but for the long-term future of the state. An important and integral part of this process is not only to protect those arrangements but to protect the arrangements of commercial companies who want to invest in this state and do business with the government. These are important principles.

Sometimes those principles come into conflict with the demand for openness and accountability — that is absolutely the case — but in the end we have to make a judgement call. Even if members believe that this house has those powers — and the government disputes that — the judgement call has to be based on the evidence, the case and whether there is a concern that is reasonable and justifiable. Based on the evidence we have heard and that has come before the committee, that concern does not exist.

Mr Pakula and I take the view, based on the advice of people who are very experienced in these kinds of parliamentary inquiries, that the best thing to do in these cases is to ask the hard question to all the public servants and commercial witnesses who come before the committee — namely, 'Did anything improper take place?'. All of those witnesses, under oath, have said no. Are there some problems with the VCGR and the steering committee in terms of the quality of advice that was given to the minister in the initial instance? Clearly something went wrong; the government admitted this by deferring the process and then repeating the process.

I do not know but I expect the Merkel review will probably deal with those issues. There are proper processes for reviewing these issues; I think the Merkel review is the proper process. This select committee is not the proper process. Mr Guy said the committee has respected the confidentiality of some of the information it has received; I commend the committee in that respect. But confidentiality has not been respected in relation to all of the documents and processes. I wonder what documents Mr Guy respects the confidentiality of and which documents he does not. Is it a matter of core and non-core respect? Are the documents about boardroom meeting minutes at Tattersall's, which Mr O'Brien was waving around, able to be released? Does the opposition decide when documents can or cannot be released?

We do not trust the opposition in this regard, because its form is that it is not trustworthy. In one instance Mr Pakula and I expressly asked the committee to respect the confidentiality of certain documents, because if it had not, the whole tender process would have been absolutely blown. We received cooperation from the committee; and we appreciated that, but it cannot be said that everything has been respected in this process. It is a political process. The moment you bring this material into this house or to the select committee, politics intervene.

We cannot support the motion before the house today that proposes to blow the longstanding arrangements regarding executive privilege and those arrangements that exist between Victorian agencies and their national and international compatriots. The government will not support this motion.

Mr ATKINSON (Eastern Metropolitan) — Naturally I, as a member of the Liberal Party and the opposition, was expected to support this motion on the occasion of the motion being put to the vote; indeed I will, but I want to contribute very briefly to this debate in context.

I am persuaded of the importance of this motion not so much by what my colleagues of the Liberal Party have said but by what Mr Kavanagh, Mr Barber and, to some extent, Mr Drum have contributed to the debate this morning. Whilst the Labor Party might have expected that the matters associated with this inquiry have been widely canvassed within the Liberal Party, the reality is that I did not have real insight into the seriousness of some of these matters from the press reports that I have read about the proceedings of this inquiry or from what have been circumspect reports to the parliamentary Liberal Party from those people associated with the inquiry. I think that is proper, because I believe they have conducted themselves with due probity and real concern, and an understanding of the importance of this process, not simply to this inquiry but to this house and its proceedings going forward.

The matters that have been raised in this debate today actually concern me a great deal because they go to the heart of what is the role of this house and what is the opportunity of this house to scrutinise government in the context that the government in its rhetoric has been so clearly trumpeting to the world the reforms that it made on behalf of Victorians. The reality is that evidence led today in this debate suggests that not only is that rhetoric a sham but, more importantly, that many of the crucial issues that this house ought to expect to have scrutinised and indeed many of the courtesies that this house ought to expect to be afforded to one of its committees have been denied.

Frankly, until it was raised in debate today, I had not heard about the letter from the Attorney-General to witnesses which was effectively intimidation of those witnesses. I believe very strongly that the letter sent by the Attorney-General that was raised in debate today was a contempt of the Parliament, a contempt of this house and a contempt of that committee. Indeed I believe that the manner in which some of these witnesses — again, as has been led in the debate today — chose simply not to answer questions or to give fairly smart-alec replies that avoided any effective scrutiny or analysis of the matters before the committee was also a contempt of the parliamentary processes and a contempt of that committee. If it was not contempt, then it was certainly contemptuous. It is an outrage. The reality is that I heard, as we have heard on many occasions, Mr Theophanous say by way of interjection in the course of this debate — it will not be recorded in *Hansard*, I believe, because it was one of a number of interjections that were made — ‘We have reformed this house. What else do you want?’. That is effectively the line that is run.

I have noted in the context of the recent by-elections how the government has been criticising the Greens for voting so often with the Liberal Party. Any fair and reasonable-minded Victorian who looked at the Greens’ voting record would say that the way they have voted in matters of scrutiny before the house has been to take this government to account on its rhetoric and on the fact that it says one thing but does another. There is no greater example of that than this inquiry. The government has been dragged kicking and screaming to this inquiry, which is a proper inquiry. It is an inquiry that it is entirely proper for this house to undertake under its mandate and responsibility to scrutinise executive government.

The reality is that this government, when it has been unable to prevent this inquiry from proceeding at every turn, has taken the opportunity to effectively, in my view, intimidate some of the witnesses to ensure that they do not cooperate and provide fulsome and genuine evidence to the committee. The argument put forward by government members in this place today in this debate perturbs me. I know for instance that both Mr Pakula and Mr Viney have a high regard for this institution of Parliament. I have heard them speak about it before, and I actually regard their interest in the institution of Parliament and their commitment to it as a genuine interest and commitment, but I also understand their commitment to the Labor Party’s needs when it comes to trying to get this issue off the agenda. It seems that they have been prepared to put the Labor Party’s interests ahead of their commitment to the institution that is Parliament, because they have been prepared to argue this morning, in a manner that seriously perturbs me, that the inquiry should be aborted because nobody said anything.

It is not surprising that nobody said anything when people have received a letter from the most senior law-maker in this state intimidating them and basically warning them not to cooperate and not to say anything. I regard that as one of the most serious and most outrageous things that have happened in this state in my term in Parliament. I cannot help thinking — and I think this often on many issues that come before the Parliament these days and on many issues that come into the community arena these days — ‘Boy, imagine if Kennett had done that!’. Imagine what would have happened if Jeff Kennett had had the audacity to thumb his nose at a committee appointed by the Parliament to scrutinise the Parliament. Can you imagine the furore? If you think that the heat of the media has been fairly intense on this issue now, imagine what it would have been like if the boot had have been on another foot.

The reality is that for those people who have trumpeted themselves as the guardians of democracy, as the reformers of this place, as the people committed to scrutiny and as the people committed to open and transparent government, this inquiry puts the lie to all of it. This inquiry, apart from all of the other issues that might have come before the Parliament at any time, demonstrates just how far this government is prepared to go to avoid genuine scrutiny, to in fact be anything but open and transparent and to use its members to try to suggest that a process ought to be aborted simply because there is not evidence, when in fact the evidence is not available in a fulsome context simply because witnesses have in effect been nobbled. That is outrageous. Given that that has happened, it indicates more than ever before why it is crucial that documents be supplied, because if the witnesses cannot be relied on to be truthful, honest, open and accountable in this process, then indeed — —

Mr Jennings — They are on oath!

Mr ATKINSON — Yes, they are on oath; that is quite correct. I take up the interjection from Mr Jennings. They are on oath.

Mr Jennings — So you should assume that they have been honest.

Mr ATKINSON — There are interesting ways of being honest. You can actually answer a question and say ‘No’, and then say ‘I’m not prepared to discuss this matter any further’, which is what they have been saying. That is not a lie as such. It is simply a statement that, ‘I am not prepared to say anything more’. It is not a lie, but it is a contempt of the process — and it is dishonest. It is dishonest — make no mistake! — and it is outrageous in terms of the function of this house, the role that this house suggests it wants to play and the processes that it has established to ensure that it can scrutinise government. It has established those processes not so that it can conduct political witch-hunts — that term has been thrown around loosely by government members in the course of this debate — but so that it can pursue that scrutiny on behalf of Victorians who have been told by this government that they have a house of review with teeth, that they have a house of review that has been elected by proportional representation, that the members in that house have a role in the scrutiny of government and that therefore everything is okay.

Everything is not okay if in fact the opportunities for this house to effectively scrutinise the actions of government, as we all believe should happen and as has been established under the constitutional

responsibilities, are frustrated by government tactics, by an arrogance, by a belligerence and by a lie when it comes to transparency of government. I understand commercial in confidence, but I dare say that in much of this debate commercial in confidence is not at stake in these matters. Commercially sensitive documents are not at issue in most of the matters that have been before this debate today.

What is very much at issue is the government’s credibility, the government’s rhetoric and the performance of this house going forward. I am persuaded not just by my colleagues but by the contributions of Mr Kavanagh, Mr Barber and Mr Drum that this motion ought to pass and that the members of the government ought to have a very serious think about the institution of democracy in this state and about the conduct of this government in respect of the scrutiny of its activities.

Mr P. DAVIS (Eastern Victoria) — Like the preceding speaker, I am one of the contributors to this debate who is not a member of the Select Committee on Gaming Licensing. It is interesting that we heard from the seven members of that inquiry this morning and that it is only Mr Atkinson and I who have something further to say. While Mr Atkinson went to what I think is a fundamental issue — that is, the expectation of accountability of the executive to Parliament — I want to pick up a couple of issues that have arisen during the debate.

Firstly I note for the record the offence which I — and, I think, also other opposition members in this place — take personally at Mr Pakula’s extraordinary comment that we, the opposition, are not to be trusted. I am amazed that a member of the government party would say that, when the government is the subject of one of the grand inquiries that the Parliament can undertake — one that is looking at the probity of the government and the way it has dealt with matters of high finance, one that is based on intimations in the public domain that the government cannot be trusted, that it may be corrupt, that there are corrupt processes or that it is incompetent.

Mr Viney — They are all unsubstantiated allegations, Mr Davis.

Mr P. DAVIS — I take up the interjection, Mr Viney. The highest office of this Parliament is to ensure the probity of the government so that the people of Victoria can have trust in its government — that it can trust you, Mr Viney, and ministers — —

Mr Viney — They can.

Mr P. DAVIS — We cannot take your assurance for that.

Mr Pakula's unsubstantiated allegation that nobody in the opposition ought be trusted is an offence to me personally and to us collectively, and it should be an offence to Mr Viney as a member of this house. It is a disgrace that a member would come into this place, having served here for only 5 minutes, and without any evidence, make such a sweeping allegation. The fact is there has been sufficient evidence to convince this house to establish an inquiry.

Mr Pakula — Bullshit.

Mr P. DAVIS — I take up the interjection from Mr Pakula. There has been sufficient evidence presented in this house for the house to be convinced in a majority that an inquiry was warranted. That inquiry has been established under the rules of this house and under the constitutional framework Victoria abides by in terms of the rule of law.

I will respond, secondly, to Mr Viney's observation, which I will paraphrase — and I am sure I will hear an interjection from him if I get it wrong — that there is only opinion and no settled law in relation to the production of documents powers of this place. Mr Viney has not interjected, so I take it that I have summarised his view properly. Let me go carefully through the process regarding this motion. Is the motion in order? Mr Viney attested in effect that this motion, moved by Mr Rich-Phillips and before the Chair for consideration, is out of order.

Mr Viney — No, I didn't. I said the house may not have the power.

Mr P. DAVIS — With great respect, Mr Viney, you are attesting that there is no settled opinion, that therefore this motion is out of order and that you will, as a result, oppose it. The motion is clearly in order; it complies precisely with the requirements of our sessional orders — and I will come to that in a moment.

The motion is narrow, it is specific in regard to the documents being sought, and it is set out in accordance with sessional order 21, which was adopted on 14 March and is contained, if Mr Viney cares to look, in the published sessional orders of this house. That sessional order, entitled 'Production of documents', sets out arrangements which will apply in relation to the production of documents. The motion is consistent with the relevant sessional order.

Does the house have the capacity to create a sessional order? I refer to chapter 25 of the standing orders

headed 'Operation and suspension of standing orders' at page 77. Under the heading 'Sessional orders', standing order 25.02 quite clearly provides:

The Council may from time to time adopt sessional orders which will have effect for the duration of the session, unless a lesser period is agreed to by the Council.

Clearly the authority to create such a sessional order lies in our own standing orders. I make the point that these standing orders were adopted at the end of the last Parliament, and that Mr Viney, along with the Leader of the Government, was vitally involved. Indeed, a majority of the house then adopted those sessional orders — a majority formed by the government, not the opposition, which had difficulties with some aspects of the standing orders. That is what the standing orders say about sessional orders.

The next question is whether we have the constitutional authority to write such a sessional order to require the production of documents. I will not rely on the opinion of Mr Bret Walker, SC, though he wrote a very good opinion, a copy of which all members of the house have been provided with, which clearly sets out that in his view we absolutely have that power.

I will go to a greater authority. I will go to the Victorian Constitution Act, an act that Mr Viney would be well aware of, because he participated in the amendment of that act in the last Parliament.

I make the point that section 19(1) in division 2, privileges of Parliament, sets out the privileges, powers et cetera of the Council and Assembly:

The Council and the Assembly respectively and the committees and members thereof respectively shall hold enjoy and exercise such and the like privileges immunities and powers as at the 21st day of July, 1855 were held enjoyed and exercised by the House of Commons of Great Britain and Ireland and by the committees and members thereof, so far as the same are not inconsistent with any Act of the Parliament of Victoria, whether such privileges immunities or powers were so held possessed or enjoyed by custom statute or otherwise.

There is no question about the constitutional establishment. The question is what were the powers of the House of Commons prior to 1855. Those powers clearly included the powers to summons witnesses and order documents. There is no question about that; it is crystal clear. If Mr Viney were still in the chamber he would respond by saying, 'Yes, because *Erskine May* says', because Mr Viney relies on *Erskine May* for every decision he makes in terms of challenging or objecting to matters of process in this place.

I refer to Mr Bret Walker's opinion in regard to a couple of matters. There have been issues led in the debate today with regard to commercial-in-confidence issues. Mr Walker was asked questions in effect by the President, on behalf of the house, who sought a proper view about the powers of the house. In the context of responding to questions about the powers of this place asked by the President, on behalf of the house, he makes what in my view is a valid point. I note that on page 6 of Mr Walker's opinion the question he was asked was:

Other than cabinet documents, are any of the following reasons which might be claimed in support of the non-production of documents valid:

- (a) Executive privilege or public interest immunity (as distinct from cabinet documents)
- (b) Commercial-in-confidence ...

The question referred to a series of other reasons, but I will just briefly quote Mr Walker's response to those two reasons. He said:

... Where a document is not to be regarded as a cabinet document, there should be no public interest reason to keep it from the people's representatives, the legislators, in the Council.

Secondly, he says in regard to the commercial-in-confidence issue:

As to (b), at best in favour of non-production, this category would be a subset of public interest immunity. As such, it has no better claim for immunity against an order for papers. It is for the Council to determine, in its assessment of the public interest, how secrecy of this kind should be observed. In my experience, there is no difficulty in restricted access and redacted publication, where public disclosure would hurt the public interest.

In other words, there is no excuse not to provide documents; it is a matter for the house to determine in what form they shall be published.

It is absolutely and abundantly clear that the argument has been put effectively by the members of the committee — that is, by five of the seven committee members who have spoken in this debate — that the government has a case to answer in the production of documents, that the government should produce the documents and clear the air. The only way that Victorians can have confidence that Parliament is performing its duty and is not subject to the bullying and intimidation of the executive is if the Parliament asserts its rights. The Parliament has rights, powers and privileges; importantly, it also has responsibilities to be accountable to the electorate — to the Victorian people as a whole. The government seems to have decided to

put itself above the Parliament — above scrutiny by the Parliament and therefore by the people. Mr Pakula said, in what is in my view the most unflattering description of the work of parliamentarians, 'It is a crushing waste of time'. That is an indictment, not of the Parliament, not of the members of this place, but of Mr Pakula if that is how he views his participation in the grand inquisition of the government that this place is undertaking.

Mr Pakula interjected.

Mr P. DAVIS — Does Mr Pakula know what I am talking about? I suspect he has no idea, because he has no respect for what he is doing as a member of the committee and a member of the house. This is not a debate about Mr Pakula's peculiar view of the government's quarantine from community expectations of proper parliamentary accountability and probity, nor is it a debate about the merit of the work of a properly constituted select committee. It is a debate about the government's obdurate refusal to cooperate with the committee and this house in developing an appropriate relationship of public trust and allowing proper scrutiny of the work of government. I support the motion and urge all members to do likewise.

The PRESIDENT — Order! I did not at the time want to interrupt the flow of the contribution of the Leader of the Opposition, but during the course of his contribution Mr Pakula entered the chamber and announced his presence with the word 'bulldust'. I take offence at that remark. It is inconsistent with the standard I want set in the house, so I ask Mr Pakula to withdraw.

Mr Pakula — I withdraw.

Mr RICH-PHILLIPS (South Eastern Metropolitan) — This motion is about this house having access to documents that are critical to the inquiry that is being undertaken by the Select Committee on Gaming Licensing. The house has canvassed a number of issues in the course of this morning's debate — matters of evidence that have been led before the inquiry from the 17 witnesses that have appeared, matters that are frankly far beyond the scope of what this motion is about in terms of the documents that it seeks. I listened with some interest to the arguments mounted by the government speakers, who are the two government members on the select committee. They are the two members of the house who have indicated that they will not support this motion. I listened to their reasons for opposing the motion.

Mr Pakula, in his contribution, made the statement that the government does not believe opinions made by law officers should not be disclosed. I note for the house's edification that this motion before the house does not seek any legal opinion that has been provided for the government. The scope of documents that the motion covers — the Victorian Commission for Gambling Regulation reports and the minutes of meetings relating to the consideration of those VCGR reports — does not encompass any legal opinion or any opinion given by a law officer for the government's benefit. On that ground, Mr Pakula's objection is not relevant to the purpose of the motion.

Mr Viney raised two issues in his contribution. The first is the question of commercial-in-confidence considerations, and this I think was canvassed widely. Mr Barber, Mr Guy and I have all made it clear that the people or the entities participating in this probity process went into the process with their eyes open; they went into the process knowing that the brief made it clear that their registrations and their applications may be subject to review by this Parliament or a committee of this Parliament. To that extent those two applicants, Tattersall's and Intralot, knew when they made their applications and when they decided what to include in their applications that that material may be subject to review by this Parliament or its committee.

The other point that Mr Viney made related to the absolute confidential assessment undertaken by the VCGR. This seemed to be one of Mr Viney's main points, but I have to say to the house that consideration of this matter has moved on, because we have now had evidence from witnesses before the select committee that in some way those confidential assessments of the applications have been tainted. I think it is beyond dispute, from the evidence given by the key witnesses, that in some form — a form that has not been revealed to the committee — those assessments have been tainted and those assessments are defective. That is the key matter that the committee and this house need to determine, and the way it will do that is through the presentation of these VCGR reports to the Council under the order that the motion I am moving foreshadows today.

With those words I urge members of the house to support the motion. The Leader of the Opposition has outlined the principles on which the opposition seeks to have this motion passed. These issues are critical to the ongoing relationship of the house and the government, but they are also critical to the Select Committee on Gaming Licensing undertaking its brief as provided by the Council. I urge members to support the motion.

House divided on motion:

Ayes, 21

| | |
|------------------------------|-------------------------------------|
| Atkinson, Mr | Kavanagh, Mr |
| Barber, Mr (<i>Teller</i>) | Koch, Mr |
| Coote, Mrs | Kronberg, Mrs |
| Dalla-Riva, Mr | Lovell, Ms |
| Davis, Mr D. | O'Donohue, Mr |
| Davis, Mr P. | Pennicuik, Ms |
| Drum, Mr | Petrovich, Mrs |
| Finn, Mr | Peulich, Mrs |
| Guy, Mr | Rich-Phillips, Mr (<i>Teller</i>) |
| Hall, Mr | Vogels, Mr |
| Hartland, Ms | |

Noes, 19

| | |
|-----------------------------|-----------------|
| Broad, Ms (<i>Teller</i>) | Pulford, Ms |
| Darveniza, Ms | Scheffer, Mr |
| Eideh, Mr (<i>Teller</i>) | Smith, Mr |
| Elasmar, Mr | Somyurek, Mr |
| Jennings, Mr | Tee, Mr |
| Leane, Mr | Theophanous, Mr |
| Lenders, Mr | Thornley, Mr |
| Madden, Mr | Tierney, Ms |
| Mikakos, Ms | Viney, Mr |
| Pakula, Mr | |

Motion agreed to.

Sitting suspended 1.15 p.m. until 2.22 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Police: enterprise bargaining agreement

Mr P. DAVIS (Eastern Victoria) — I direct a question without notice to the Treasurer. With respect to the government's pay agreement with the police union, yesterday the Treasurer endeavoured to assure the house that there are appropriations for departments and that those appropriations are met. I therefore ask the Treasurer: is the police pay rise fully covered in the departmental funding allocation for the current financial year?

Mr LENDERS (Treasurer) — I welcome the Leader of the Opposition's question and will take the liberty of also explaining to him and the house how appropriation works and where this clearly fits in with an enterprise agreement.

When the Parliament authorises the executive to expend money on behalf of the state of Victoria, which it is obviously a sovereign right of the Parliament to do, there are a couple of things that come together which I think it is worth explaining. Firstly, there is the issue that the executive has no authority to spend unless there

is a particular appropriation, whether it be through the annual appropriation bill, the parliamentary appropriation bill or a special appropriation. There are a number of vehicles through which that can be done. Obviously appropriations go towards meeting particular outputs, which are reported in budget paper 3. The Parliament essentially says to the executive, 'You have the authority to expend whatever part of the \$34 billion is allocated in the budget and you can only expend it when the output is met'.

What happens then is that every quarter the Minister for Finance receives a report from the Department of Treasury and Finance saying, 'Here are the outputs within the Department of Human Services' — however many hundred of them there may be — 'and we have actually met the outputs', if the outputs have been met. The Minister for Finance then signs and says, 'This has been met'. It is then forwarded to the Treasurer. The Treasurer countersigns and the appropriation is forwarded on to the department. That is the procedure that is followed for determining whether the outputs are met and met adequately.

In the context of the Leader of the Opposition's question, what then happens is that within the Department of Justice there is a series of outputs under Victoria Police which deal with community safety and the like which are addressed if the output is met. That means that ultimately the Secretary of the Department of Justice signs a document which goes to Treasury, which then verifies that on that basis funding is released to the Department of Justice to pay that part of the appropriation. That is as specific as I can be for the Leader of the Opposition, because first there is a safety output but then within the authority of the Department of Justice to expend the output comes the issue of what comprises that output. Obviously the largest output almost inevitably in government for service delivery is wages, so that will be a component, but there is always more than wages. That is how the appropriation applies to the output.

Government always has contingencies as well in various areas and sometimes the contingencies are in place because you may be in an area like industrial relations negotiations or commercial-in-confidence negotiations or you may be awaiting matching funding from the commonwealth because it has not decided yet. Sometimes there are contingencies that are specifically defined, sometimes there are not. In response to Mr Davis's particular question, outputs are matched by expenditure from the department on authorised means. Once that is done on a quarterly basis, it is forwarded to the two appropriate ministers I have outlined. If that is met, they sign the appropriations. That is how the

budget process works. That is how we have the accountability so that at any stage the Parliament itself or the Public Accounts and Estimates Committee can then ask ministers what has happened with the output in their particular portfolio. I suggest to the Leader of the Opposition that the appropriate minister to ask as to what has happened with the individual outputs in the justice portfolio in this case is the Minister for Police and Emergency Services.

Supplementary question

Mr P. DAVIS (Eastern Victoria) — I thank the Treasurer for such an expansive answer. It leads me to ask: in response to my question yesterday following on from the minister's answer on the cost of the police union agreement, the Treasurer referred to the annual Treasurer's advances and the fact that in some cases they are over and in some cases they are under, and he added, 'often these simply come about where things go to scale'. Obviously this is a technical financial assessment. I therefore ask the Treasurer to explain what he means by that statement — that is, precisely what is meant by 'where things go to scale'?

Mr LENDERS (Treasurer) — The main traditional area where Treasurer's advances are used is for things like flood, fire and famine. So to use Mr Davis's particular illustration of being done to scale, in the last financial year we had in his constituency the issue, firstly, of the tragedy of the bushfires around his home town of Sale and in East Gippsland generally. So a Treasurer's advance in that particular case would be to fund the things that arose out of the fires. Secondly, under that scheme of what it is used for and how we judge and estimate it, we also had the unfortunate overlay leading up to the fires and at the time of the fires of drought.

What we obviously had in South Gippsland and East Gippsland was drought and a need for drought assistance. Again, at budget time in May last year there was no way known that John Brumby as Treasurer could estimate how much a drought would cost. For one thing we had not been right through winter rains yet. The second thing is that they are hard to quantify. The third one obviously is the issue of floods. To put tragedy upon tragedy in South Gippsland and East Gippsland, in addition to drought and in addition to fire we had floods. Again, that is why you cannot estimate Treasurer's advances with any certainty other than there are contingencies that must be met, and overwhelmingly Treasurer's advances go to those types of contingencies.

Cancer: research centre

Ms BROAD (Northern Victoria) — My question is to the Minister for Innovation, Gavin Jennings. Could the minister inform the house how the Brumby government is working in partnership with world-leading Victorian cancer agencies to deliver innovative cancer research and treatment facilities in Victoria?

Mr JENNINGS (Minister for Innovation) — I thank Ms Broad for her question and the opportunity to provide the chamber with information about a world-class facility that is being established right here in Melbourne which will serve the interests of Victorian citizens now and into the future in relation to cancer treatment.

Recently I was at the Cancer Council Centre in Carlton, where we launched a fantastic initiative sponsored by the Brumby government in collaboration with a consortium of major research institutes in the state of Victoria — the Ludwig Institute for Cancer Research, the Austin Research Institute, Melbourne Health, Peter MacCallum Cancer Centre, Southern Health, the Cancer Council of Victoria and Cancer Australia, which will see the creation of Australia's first biobank. This is an opportunity for very benevolent and generous cancer patients to donate blood and tissue products that will be then stored within a research facility that will enable the detection of, and hopefully lead to the prevention and mitigation of, the onset of cancer in our community.

The reason this is a significant initiative is that it has been subject to significant investment by the Brumby government — \$7 million underpinned the establishment of this centre. In fact it will be a \$16 million enterprise over three years. The order and magnitude of that figure in itself shows there is a great collaborative and research integrity that is going to be brought together through the consortium. Very importantly, it will be doing outstanding work in terms of trying to deal with the major killer that confronts global communities.

Again, to pursue a recurring theme of my contributions to the chamber, Victorian medical research institutions are playing a leading role in the mitigation, prevention and treatment of major illnesses and public health patterns right throughout the world. Indeed cancer is in the top order of those issues. Every year more than 7 million people around the globe die of cancer. If you look at the number of people across the globe who die of malaria, diabetes, TB, malnutrition and the HIV/AIDS epidemic, the number of those fatalities

combined is less than the number who die of various forms of cancer.

It is a very significant issue for this community. Three out of 10 Australians will have a diagnosis of a form of cancer during their lifetime. In any one year, 20 000 Victorians receive treatment for cancer. If our community is blessed by the generosity of spirit of only 1 in 15 of those 20 000 cancer patients in Victoria, we will have sufficient material available through the biobank to be examined and analysed. Research in relation to treatment regimes and appropriate early interventions to prevent the onset of more dangerous forms of cancer will be able to be undertaken by the biobank and the consortium of medical research practitioners and those who provide for clinical care.

That is the beauty of the design of the system — to actually link the creation of this material to its application through medical research and to the testing of treatment patterns through clinical practice. That is what we are seeking to achieve in Victoria. The announcement last week by my colleagues the Premier and the Minister for Health in the other place that Victoria will establish a comprehensive cancer centre will build on this great expertise and great capacity that we have in Victoria. It will make Victoria a leader internationally in terms of the detection and treatment of cancer. The Brumby government is very pleased and proud to be able to provide real and lasting tangible support to the fantastic technical research capacity and the outstanding clinical practice that we have in Victoria, and to be standing shoulder to shoulder with those who practise these skills on behalf of humanity each and every day.

Questions interrupted.

DISTINGUISHED VISITOR

The PRESIDENT — Order! I wish to draw to the attention of the chamber the presence in the gallery of one of our former members, the former Deputy President and Chair of Committees, Ms Glenyys Romanes.

Questions resumed.

Mobil: Newport pipeline

Ms HARTLAND (Western Metropolitan) — My question is directed to the Minister for Environment and Climate Change, Gavin Jennings. Last week the Environment Protection Authority (EPA) released its audit of the Mobil petrol pipeline leak in Newport. The report indicated that there was a huge toxic plume in

Newport, with potential dangers for anybody digging, including businesses such as the cemetery, and those working on new buildings and renovations.

The locals are concerned that the EPA has not required testing of their backyards, especially where there are vegetables and fruit trees growing. There are many reports of dying plants, and you can see dead trees in the area. How can the minister reassure residents that their gardens are safe to play and grow vegetables in if there has been no testing?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Ms Hartland for her question and her concern about the wellbeing of constituents in the western suburbs of Melbourne. This is a significant issue that she has raised with us, and I share her concern to make sure that members of this community have some degree of comfort and security and do not feel as if the quality of their lives has been adversely affected in the immediate or long terms.

As she is well aware, and as members of this chamber will be well aware, this is an issue that would lead to some degree of anxiety and some concern. All of us should unite from our various vantage points to try to allay some of those anxieties and not overestimate the environmental effects of what was a most unfortunate leak that occurred in the petroleum lines in the Newport area. We should be somewhat dispassionate in terms of our understanding of what we already know and be very vigilant about what we need to know about what the ongoing consequences for that local environment may be.

I have had discussions on numerous occasions with the Environment Protection Authority about the matter that Ms Hartland has raised. I continue to keep the EPA on notice that my expectations are not too dissimilar to Ms Hartland's in terms of trying to allay the concerns of residents within the Newport area. The EPA has assured me that it is determined to provide ongoing opportunities for residents to participate in community education processes in relation to the dimensions of the problems and to be engaged with the appropriate agencies about the various remedies that may be appropriate.

In terms of the specific nature of that, in terms of how interventionist I can be on a day-to-day basis or what absolute gilt-edged guarantees I can give residents on a day-to-day basis, I would be foolhardy to overstate my daily engagement on these issues, but I assure the member and I assure the chamber that I keep the EPA on very close watch in relation its to meeting its expectations and satisfying the expectations of the

community and in terms of vigilance on the issues that Ms Hartland has raised.

Supplementary question

Ms HARTLAND (Western Metropolitan) — Having organised a number of meetings with residents, the Environment Protection Authority and Mobil in the area over the last seven months, I would have to say the information has been inadequate. What does the minister intend to do to make sure that the information put out to local residents is improved?

Mr JENNINGS (Minister for Environment and Climate Change) — I note that in fact the perception of Ms Hartland, or the residents, is that the EPA falls short of those expectations. I will take note of that. I will verify the degree of engagement and responsiveness of the agency, and I have very high expectations of it. But if what Ms Hartland has put to the chamber is true, then the game will be lifted. In fact I will test that with some veracity.

Landcare: awards

Mr ELASMAR (Northern Metropolitan) — My question is to the Minister for Environment and Climate Change, Gavin Jennings. Could the minister inform the house how the government is supporting communities to protect their local environment?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Mr Elasmr for his concern about Landcare as it applies in the broader context of the Victorian community. Landcare has been a feature of well-organised community groups participating in rehabilitating and restoring environmental values by protecting biodiversity and restoring the productivity of Victorian land. It has been a great collaborative effort between various governments, going back to the time of the Cain and Kirner era when 21 years ago Landcare kicked off. It has actually brought together any number of great people who have been involved in community development processes within the agricultural community. Indeed it was one of the very first occasions when the Labor government worked in collaboration with the Victorian Farmers Federation.

I was very pleased to actually see at this event at government house recently that Alex Arbuthnot, who was involved with the Victorian Farmers Federation (VFF) at the time, was there in the company of Joan Kirner. Sitting side by side were two of the major people who were involved in the establishment of Landcare. Heather Mitchell's granddaughter was there. Heather Mitchell, at the time of the establishment of

Landcare, was a leading light within the VFF. It was one of those occasions where there was a hand across the political ways —

Mr P. Davis — She was also a vice-president of the Liberal Party.

Mr JENNINGS — Exactly. She had a number of redeeming features.

The good news was that there we were on the 21st birthday of Landcare, rewarding and celebrating the ongoing commitment of Landcare groups right throughout the state. Indeed the Landcare awards have been going for 16 years, and this year we saw 107 nominees in 13 different categories right across the rich diversity of the Victorian landscape and Victorian communities. Each and every one of those entries and award winners was determined to demonstrate best practice in providing for environmental values to be protected, maintaining biodiversity, maintaining the productive capacity of Victorian land and ultimately achieving integrity and maintenance of the important environmental and productive capacities within our catchments. Every single award recipient and nominee deserves our congratulations, but for the sake of brevity I will just outline a number of those award recipients as a representative sample of this great talent and capacity.

The national Landcare individual award went to Lyn Coulston from Koetong, just outside Wodonga, whose property is in the shadows of the Mount Lawson State Park; the nature conservation award went to Hindmarsh Landcare group; the education award went to Camperdown College; the Alcan indigenous award went to the East Gippsland cooperative; the national resource management award, which was sponsored by the Australian government, to its credit, so it played a partnership role in this too, went to the West Gippsland Catchment Management Authority; and there were sustainable farming awards that actually traversed communities right throughout the length and breadth of Victoria.

Landcare is a great success story in community building, community development and partnership between the Victorian government and parts of the community that are engaged in the preservation of productive land.

Mrs Peulich — The minister is being sent to sleep.

Hon. T. C. Theophanous — No, he is not.

Mr JENNINGS — He is very much alive; he is very much alive to the importance of Landcare in the state of Victoria. The Brumby government continues to

support this program and in this budget, if the Treasurer were asked what the budget allocation is for this year, he would say that \$10 million has been allocated specifically to the Landcare program. But of course, as we all know, far more money is allocated to catchment management measures right across the length and breadth of Victoria. We are proud to work in collaboration with the great community members who are participating each and every day in the name of Landcare.

Timber industry: government strategy

Mr VOGELS (Western Victoria) — My question is to the Treasurer. The Labor government promised the timber industry security of supply of 576 000 cubic metres per annum under its Our Forests Our Future policy. Present projections suggest that less than 350 000 cubic metres are now available, with absolutely no surety of timber projections beyond 2010. What specific action does the Treasurer intend to take to protect the supply chain of an industry that employs some 25 000 Victorians and provides most of our locally consumed timber-based products?

Mr LENDERS (Treasurer) — I thank Mr Vogels for his question. I think it is the first one I have had from Mr Vogels since I have been Treasurer. There are a couple of things about the question that I will comment on. The first one is, as Mr Vogels well knows, these are complex issues of balance. Our Forests Our Future was very much a policy proposal from this government to get that balance right.

Mrs Peulich interjected.

Mr LENDERS — I take up Mrs Peulich's interjection, because she is looking for simplistic answers. If Mrs Peulich actually went to East Gippsland she would find that between the Great Dividing Range fires and the 2003 alpine fires, 47 per cent of the forest of that region was burnt. If Mrs Peulich actually believes that governments can simplistically stick to master plans with availability of timber and not take into account minor natural disasters like two fires that actually burnt out 47 per cent of the woodland, then she should perhaps go to the old Soviet Union and start to look at some five-year plans and expect them to stick for the five years without flexibility.

Mr D. Davis — Moscow on the Molonglo!

Mr LENDERS — Yes, Moscow on the Molonglo, David Davis; perhaps Mrs Peulich should go there.

Mr Vogels asked a valid question about timber supply. I can assure Mr Vogels that Our Forests Our Future is

the framework, and we as a government will monitor timber supply. We are very conscious of the importance of balance, conscious of the importance of regional jobs and conscious of the importance that this is a great industry. We will continue to work with the industry and the community to get the best balance possible in these times.

Supplementary question

Mr VOGELS (Western Victoria) — The Bracks government set up VicForests to auction its supply of sawlog timber, a system that has reached crisis point, with timber auctions beyond 30 June 2010 being deferred. This could equate to the withdrawal of at least \$200 million in new investment from the industry, coupled with the failure of many long-established timber-processing companies and haulage and cartage contractors, which are the lifeblood of many of Victoria's far-flung communities.

In the light of this, can the Treasurer assure Victorians that the Brumby government is looking at all possible options to ensure that this most sustainable of regional industries survives? The timber is out there, the people can get work, the logs are made available and it just not good enough to say that a couple of years ago there were 576 000 cubic metres and now there are 350 000 and there is nothing going forward from 2010. How do these companies survive?

Mr LENDERS (Treasurer) — I would be delighted to have with Mr Vogels at any time a discussion on a balanced policy in this area. This government's credentials are out there. We have delivered both jobs in timber communities and sustainable use of our forests. We have done both. If Mr Vogels wants to talk about the figures, I can, if he likes, go through some of the contradictory figures he has put on the public record, but that will not help the debate. What I can say to Mr Vogels is that we will be part of a dialogue at every stage. We value the work of timber communities, and we value a balanced use of our forests. We have balanced the use.

There is something from the opposition, which is voodoo economics. The opposition believes it can demand water if there has not been rain. It believes it can demand timber if there have been bushfires that have burnt out 47 per cent of a forest. This government will look at our natural resources. We will balance the use of our natural resources, but there are two important drivers: we believe in jobs in regional communities — something that our predecessor government did not, because rural communities were the toenails of the state — balanced with a sustainable use of our

resources in the environment. That is our balance. We will continue to manage that balance with good use of the resources and the creation of jobs in regional communities.

The runs are on the board. We will continue to deliver because that is what is important to making Victoria a better place to live, work and raise a family. And when I say Victoria, President, I mean every part of Victoria; not just the beating heart of Melbourne and the toenails, as Jeff Kennett talked about, but every part of Victoria, including every single rural community.

Water: desalination plant

Ms PULFORD (Western Victoria) — My question is to the Treasurer. Could the Treasurer outline to the house any recent initiatives by the government to secure Victoria's water supply?

Mr LENDERS (Treasurer) — I thank Ms Pulford for her question. I am delighted by her interest in these matters, as every Victorian is interested in them. Ms Pulford represents her constituency well, because all Victorians are acutely conscious that in a time of climate change and in a time of high demand on water resources we need a plan and a viable future that will give us more water in this state. We need more water from sources we have not found before as well as a better use of the existing water.

The Premier and the Minister for Water went down to Wonthaggi today to announce that the desalination plant the government had already announced will involve a public-private partnership so this project can proceed.

Mr Hall interjected.

Mr LENDERS — I am interested in taking up Mr Hall's interjection. He is a member who represents a region where more than two-thirds of its constituents get their water from Melbourne Water. I would be very interested in his interjection; I hope he is not being unsupportive of the desalination plant that will deliver water to two-thirds of his constituents in addition —

Mr Hall interjected.

Questions interrupted.

SUSPENSION OF MEMBER

The PRESIDENT — Order! I think the house is by now fully aware of my views on the use of first names directed towards people on their feet and making a

contribution. I know Mr Hall is a stickler for standards and protocols, but he did err this time. However, because of his previous good conduct I am only going to give him 10 minutes.

Mr Hall withdrew from chamber.

Questions resumed.

Mr LENDERS (Treasurer) — What the Premier announced with the water minister in Wonthaggi was that we would be proceeding with the desalination plant. This plant will deliver 150 billion litres of water every year. To measure what 150 billion litres of water is; it is one-third of the consumption of Melbourne this year. This is not water we are dreaming of, this is not water that requires a rain dance or a leap of faith; this is water that comes out of the ocean. We are bringing new water into circulation in Victoria to address one of the most critical issues of the 21st century — one of the most critical issues in a time of climate change is the shortage of fresh water in the state of Victoria.

Not only will this bring more reliable water to the state of Victoria, but it will also bring to the Eastern Victoria Region electorate 3180 jobs during construction.

Ms Pulford — How many?

Mr LENDERS — It will bring 3180 jobs, Ms Pulford, during construction. It will bring that forward, as is shown from our research. It will create 920 direct jobs and 2260 indirect jobs during construction. But there is more, President. It will also bring in the equivalent of 150 full-time equivalent jobs — 50 directly to the operational plant and 100 indirectly to support the ongoing operation. It is a \$1 billion economic boost to the state. As I said, it will bring water regardless of rainfall.

The Victorian community has called for a plan; it has called for action. It has said in a time of climate change, drought and water scarcity that governments need to act. The Brumby government is acting. We have announced the plan, and we now have the procurement model for the plan. The long and the short of it is that there will be extra and new water supplies on-stream in 2011.

I welcome Ms Pulford's question and her interest. I can say to every member of this house that this plan is moving. Victorians have asked us to deliver on this critical infrastructure project, and it will make Victoria a much better place. We will have water; Victoria will be a much better place to live, work and raise a family.

VicForests: regional offices

Mr VOGELS (Western Victoria) — My question is to the Minister for Environment and Climate Change. VicForests will close 12 of its offices throughout country Victoria — in Benalla, Mansfield, Marysville, Toolangi, Powelltown, Erica, Traralgon, Bairnsdale, Nowa Nowa, Heyfield, Ovens and Corryong — taking 52 experienced on-the-ground, skilled firefighters out of our most vulnerable fire-prone region. What action will the minister take to ensure that these 52 experienced firefighters are not lost from the region and will continue to be available to protect community assets, including national and state parks?

Mr LENDERS (Treasurer) — I welcome Mr Vogels's second question. It does seem strange — —

Mr Rich-Phillips — On a point of order, President, Mr Vogels's question was actually to the Minister for Environment and Climate Change.

The PRESIDENT — Order! Due to the raucous behaviour in the chamber it was very difficult for me to hear, but I accept that it was actually directed at the Minister for Environment and Climate Change, who I am more than confident can answer Mr Vogels's question. To assist in the circumstances, I ask Mr Vogels to repeat his question.

Mr VOGELS (Western Victoria) — My question — —

An honourable member interjected.

Mr VOGELS — If the member stopped yelling for a moment, he might hear something. My question is to the Minister for Environment and Climate Change. VicForests will close 12 of its offices throughout country Victoria — in Benalla, Mansfield, Marysville, Toolangi, Powelltown, Erica, Traralgon, Bairnsdale, Nowa Nowa, Heyfield, Ovens and Corryong — taking 52 experienced, on-the-ground, skilled firefighters out of our most vulnerable fire-prone regions. What action will the minister take to ensure these 52 experienced firefighters are not lost from the region and will continue to be available to protect community assets, including national and state parks?

Mr JENNINGS (Minister for Environment and Climate Change) — Thank you for that time warp and the opportunity to respond to a question that really does not relate to my ministerial responsibility, although it is closely linked.

Honourable members interjecting.

Mr JENNINGS — The member talked about VicForests operations and staff who work for VicForests.

Mr P. Davis interjected.

Mr JENNINGS — If the Leader of the Opposition was well informed he would know that I do not have the administrative arrangements and other responsibilities for VicForests.

Mr P. Davis — National parks? State forests?

Mr JENNINGS — I absolutely do have responsibility in relation to the land capacity of Victoria through my responsibility for forests, national parks, state parks and forest parks — a whole variety of public land. I have some responsibility for the best part of 8 million hectares of public land — and, yes, I do have responsibility for firefighting matters in relation to all that public land. In fact earlier this week I joined my colleague the Minister for Police and Emergency Services in another place when we jointly announced increasing the effort, supported by our government, in making sure we have prepared for the coming summer's fires. Indeed as part of that announcement we talked about the recruitment of an additional 500 firefighters and the funding that we are providing as a government — more than \$7 million has been allocated — to support the additional firefighting effort this year. Equipment being brought to bear ranges from bulldozers through to refuelling equipment for aircraft — —

Honourable members interjecting.

Mr JENNINGS — President, you may understand that I am a bit dismayed. Yesterday opposition members wanted me to answer a question that was asked from my side. Today they have asked me a question, and now that I am giving an answer which is totally responsive to the question and is dealing totally with the resource allocation for the firefighting effort — I have not strayed for 1 second from that — they want me to shut up again. I do not really know what their expectation of me is except to respond in detail, as I am doing, to the question that has been asked.

I think the important issue so far as the Victorian community is concerned is that there has been significant investment by our government in fire preparedness. The next couple of months will be a very busy time in relation to fuel reduction burning. Part of that announcement we made during the course of the week was that of the thousands of staff who are available to the state of Victoria for our firefighting effort, we anticipate during the course of spring to have

people doing fuel reduction burning over the equivalent of 130 000 hectares to reduce the fuel load and to protect Victoria's natural environment. This is a significant undertaking by our government on the environment — and it continues to be a significant undertaking.

Regardless of the workers who are at the heart of Mr Vogels's question — workers for whom, I reiterate, I am not responsible — I am responsible for making sure that we have people who are prepared, trained and supported to provide for our firefighting effort. We undertake significant fuel reduction burning during the course of spring, which we are doing now. We now have \$7.5 million-worth of equipment to fight fires which we did not have during the course of the last summer.

Supplementary question

Mr VOGELS (Western Victoria) — It goes without saying that VicForests staff are committed to the environment and to sustainable development in regional Victoria. Quite clearly the elimination of 52 VicForests staff and their families from these 12 towns will also have an adverse effect on their local communities, which flies in the face of the Brumby government's catchphrase 'Victoria — a great place to live, work and raise a family'. What action does the minister intend to take to make sure that these 52 skilled people are not lost to the industry?

Mr Viney — On a point of order, President, Mr Jennings indicated that he does not have administrative responsibility for VicForests. I think Mr Rich-Phillips might have done Mr Vogels a disservice by suggesting the question should be redirected from the Treasurer to the minister for environment, because my understanding is that it is the responsibility of the Treasurer. He should have asked the question the way he asked it in the first place.

Mr P. Davis — On the point of order, President, it seems to me — —

The PRESIDENT — Order! Before we continue, is Mr Jennings prepared to answer the question?

Mr JENNINGS (Minister for Environment and Climate Change) — I am prepared to answer any question.

Honourable members interjecting.

Mr JENNINGS — Has there been a question asked that I have not answered?

Mr Vogels — On a point of order, President, I brought into the chamber with me the responsibilities of the Minister for the Environment and Climate Change, because I thought he might try and duck and get out of it. It actually says forestry, the Forests Act — —

The PRESIDENT — Order! There is no point of order. The minister is answering Mr Vogels's question. Mr Vogels should be happy.

Mr JENNINGS — Obviously the purpose of this question was not to get an answer. I understand the great difficulty that I have created for the chamber by doing my best to answer this question, even though I am not administratively responsible. What Mr Vogels has got in front of him does not say that I am ministerially responsible for VicForests, which is the organisation with the 52 staff he is referring to. I do not have direct managerial line responsibility for and nor am I the employer of the people in question. What I am responsible for is the firefighting effort on public land. I have addressed the question.

I will do anything that I can in collaboration with my ministerial colleague, who is responsible for the 52 people that Mr Vogels has actually referred to and is responsible for the VicForests organisation, to make sure that the Victorian community and the public sector in Victoria do not lose the capacity and the talents of people who provide great assistance to our Victorian community and protect the environment. We have a great track record in that regard. I would be very happy to give any assistance I can provide for their ongoing involvement and security of tenure.

Kew Residential Services: site development

Mr THORNLEY (Southern Metropolitan) — My question is for the Minister for Major Projects. Can the minister advise the house of recent developments at Kew Residential Services and the benefits they offer to disability services in Victoria?

Hon. T. C. THEOPHANOUS (Minister for Major Projects) — I thank the member for question. I know he has strong interest in this area. Let me begin by indicating to the house that this particular development at Kew has returned around \$7.5 million to the disability community in Victoria. That is the extent of the support that it has provided. This is comprised of the guaranteed land payment to the state of over \$7 million from the developers themselves and the bonus payments for stage 1, which at present stand at about half a million dollars. We expect this trend to continue, because there is an expectation that the bonus payments will continue to grow, and these will go of

course to the Department of Human Services to assist in this very important area.

So far there are 73 purpose-built off-site community houses, and they house 377 residents. They have moved into their brand-new, purpose-built accommodation. There are a further 20 on-site community houses, which are due for completion for the remaining 100 residents at the Kew site. When it is complete, more than one third of the site will be dedicated to landscaped open space, maintaining our commitment to the green wedge and to having an appropriate environment at the Kew site. More than a half of the site will remain in public ownership.

This is an exciting development for Melbourne and in terms of looking after disabled people in our community. That is completely contrary to the view opposition members continued to put in relation to the development. They wanted the residents to remain in an old institutional setting and not be able to have the benefit of brand-new facilities and the kind of situation they will be able to live in as a result of the government's initiative.

The opposition has of course also initiated its inquiry. I look forward to assisting that inquiry, which is being chaired by David Davis. I believe that he and his upper house colleagues will very quickly see that the government has a great story to tell in relation to the Kew site. The government has revived a run-down neglected site and has provided new and improved accommodation for residents. This is something that the opposition opposed at every turn, wanting us to keep the residents in an old institutional setting. I have great confidence in the integrity especially of some of the committee members who are charged to do this work.

I believe Peter Kavanagh, Peter Hall and Sue Pennicuik will come to fully appreciate the effort that has gone into approving the accommodation and surrounds at Kew Cottages. Hopefully they will be able to prevail on Mr Davis not to attempt to try to politicise this committee, which he will undoubtedly try to do. I am confident that those responsible members of the committee will pull him into line when he tries to politicise the committee.

This is a good development. It will result in 377 Victorians being able to have a better lifestyle and live a better life as a result of the investment that this government has made in the very important area of disability.

Member for Evelyn: electronic communications

Mr D. DAVIS (Southern Metropolitan) — My question is to the Leader of the Government. I refer him to the recent exposé that the former Labor MP and now staffer Heather McTaggart in the office of Kirstie Marshall, the member for Forest Hill in the other place, received electronic copies of faxes intended for the member for Evelyn in the other place, Christine Fyffe. I therefore ask the Leader of the Government: did he or any member of his staff receive any information from any of these faxes intended for the member for Evelyn?

Mr LENDERS (Treasurer) — I certainly did not, but I think it is more appropriate to say that this is a matter that is not my responsibility as Treasurer or in my role as Leader of the Government. I imagine that this area is far more under the purview of the Parliament itself in the review of this matter. It is not one that I have ministerial responsibility for, and I do not intend going down the path of purporting to answer it or to respond to any grubby questions from David Davis which impugn the character of members of Parliament or impugn the character of members of the government.

Supplementary question

Mr D. DAVIS (Southern Metropolitan) — I note that there was no indication from the minister that his staff had not had some contact with those faxes. I therefore ask: what steps has the minister taken to ensure that any Labor members of the Legislative Council receiving this information directly or indirectly from Ms McTaggart have handled this private information with propriety?

Mr LENDERS (Treasurer) — David Davis impugns the character of members of this side of the chamber. It would not go through my head that it would be appropriate behaviour to take the sort of information he is suggesting. My colleagues are mature adults who know the responsibilities of being members of Parliament and know the law. I think David Davis is insulting this chamber. It was worth noticing the glass jaw of the Leader of the Opposition today in response to Mr Pakula's suggestion about behaviour in the select committee of members of the opposition that there are two completely different standards. I stand by my statement. I did not receive any such information. I would not presume to go around this place asking other people. The Speaker has made a determination on this matter. I believe in good sense regarding this issue. I can only answer for myself, and my answer is an unequivocal no.

The PRESIDENT — Order! For the information of the house, I will say that the particular matter raised by Mr Davis is currently being investigated by the Ombudsman.

Stamp duty: regional and rural Victoria

Mr DRUM (Northern Victoria) — My question without notice is to the Treasurer. How can the Treasurer justify the additional \$6000 in stamp duty that it costs a family in Echuca when purchasing a \$400 000 property compared to a \$400 000 property purchased in Moama?

Mr LENDERS (Treasurer) — Mr Drum asks a question about taxation. He is asking me to answer how a government can justify a tax level. The easiest thing for a government to do would be to get rid of all taxes. But I am suggesting to Mr Drum that if he is suggesting that we start to reduce tax rates in the state of Victoria — and I will get on to our tax record in a moment — then I suggest that he has an obligation to his electors to actually also specify which services he will cut to pay for those tax cuts. That is the first test: which service are you going to cut to pay for a tax cut? That is the first question we are going to deal with.

Ms Lovell — Start with your office!

Mr LENDERS — Ms Lovell, in one of her normal inane interjections, said, 'Start with your office'. I suggest to Ms Lovell that if she is talking about the most recent contribution to staff numbers in this state, she should perhaps offer the 40 electorate officers provided to members of this Legislative Council to assist them in their jobs before she starts in on her newest little blind tirade about ministerial staff numbers. The most recent \$4 million addition to the political staff burden in this state was for the 40 staff members of this house.

If Ms Lovell is suggesting that we should start looking at staff numbers for MPs, then she should not come here with the other hand out saying, 'We need more staff for this Legislative Council'.

In response to Mr Drum's particular question about how we can justify a tax, I say to him, firstly, that the government of Victoria has a tax burden per head of population that is lower than the national average, and secondly, that since it came to power this government has reduced taxes in area after area and time after time. What we are finding now is that we have reduced taxes in multiple areas. For Mr Drum's benefit, I inform him that since we have been in government we have cut payroll tax. It is the second lowest in Australia, and we

cut it again on 1 July. We have cut land tax. We have actually brought land tax down. The top rate — —

Mr D. Davis interjected.

Mr LENDERS — David Davis should know this, as he was a member of the Kennett government. The Kennett government increased land tax.

Mr D. Davis interjected.

Mr LENDERS — David Davis says it did not go up. When the Kennett government came to power, the top rate of land tax in this state was 3 per cent. Under the Kennett government it was increased to 5 per cent. The Kennett government inherited 3 per cent land tax from the Kirner government and it increased it to 5 per cent. It is basic mathematics. David Davis counts numbers very well in preselections, as Mrs Coote knows and as Mr Atkinson knows, and he will know that going from 3 per cent to 5 per cent land tax is an increase. Under the Labor government we have cut the top rate of land tax from 5 per cent to 2.5 per cent. Let us first kill the furphy of taxes going up under Labor. Under the Kennett government land tax went from 3 per cent to 5 per cent; under the Labor government it went from 5 per cent to 2.5 per cent.

Moving on in response to Mr Drum, we have cut the stamp duty on property, we have cut motor vehicle duty, we have abolished the financial institutions duty, we have abolished the duty on non-residential leases, we have abolished the duty on quoted marketable securities and we have abolished the duty on unquoted marketable securities. We have got rid of mortgage duty. Mr Drum may ask his Echuca-Moama question, but across the border in New South Wales home buyers pay a mortgage duty, while the Bracks and Brumby governments in Victoria have got rid of the mortgage duty. We also find that in Echuca there is no tax payable on off-the-plan purchases, so a family, whether they be retirees going to a smaller house or whether they be first home buyers in the market, do not pay stamp duty on off-the-plan purchases. In New South Wales they do. We also find that Victoria has abolished the bank accounts debits duty and the business rental duty and provides targeted assistance for first home buyers.

The fundamental fact is that this government established the Harvey review into business taxes in 2000, and it has gone through a program of reducing taxes further than required under the intergovernmental agreement for the GST. This government is conscious of the need to reduce taxes.

Going back to Mr Drum's point, we will continue to have a dialogue. We have targeted tax relief, so that if you are a home buyer in Echuca with a house worth under \$500 000 which is your principal residence, you will pay lower stamp duty than you did a year ago. A person who is a first home buyer gets not only the \$7000 that was required under the intergovernmental agreement, they also get a further \$3000, and they get a further \$5000 if their home is a newly constructed home.

This government has delivered tax relief. This government has produced targeted relief for first home buyers and for seniors converting from a large family home to a smaller retirement home. My fundamental response to Mr Drum is that anybody who comes into this place and says, 'Cut a tax' also needs to come into this place and ask, 'What service are you going to cut to replace it?'. The conservative side of politics promises all things to all people. It says, 'Cut this, cut that, give relief', but it does not say how many teachers it is going to cut, like the 8000 the Kennett government cut; it does not say how many nurses it is going to get rid of, like the Kennett government did in that area; and it does not say how many schools it will close, like the 300 schools the Kennett government closed in rural Victoria; or how many police stations it will close. We welcome tax relief for people in Echuca or any part of Victoria. I look forward to Mr Drum's supplementary question and perhaps his advice as to what services he will cut if he is going to provide further tax cuts.

Supplementary question

Mr DRUM (Northern Victoria) — I remind the Treasurer that we are talking specifically about stamp duty in this question and that we are in the midst of a housing affordability crisis. As the Treasurer is continually telling us in this house that he wants to make Victoria a better place to live, to work and to raise a family, I ask what priority he will be placing on lowering Victoria's stamp duty rate from its current position of being Australia's highest rate of stamp duty of any state while enjoying his tenure as Treasurer of this state.

Mr LENDERS (Treasurer) — I would welcome an unlimited debate with Mr Drum on housing affordability. Again, the single largest issue in housing affordability in this state is interest rates. For a family with an average home loan in Echuca or in any other part of Mr Drum's electorate — from Echuca to Mildura, right across to Wodonga, down to Bendigo and Macedon or wherever in his electorate he wants to go — the five interest rate rises, which the Prime Minister, John Howard, promised would not happen

under the federal Liberal and Nationals government, which Mr Drum's party is a part of, mean significant increases in costs. The last rise alone would have seen an increase of almost \$50 a month in a family's costs, let alone any further increases. Let us bring on the debate on affordable housing at any time.

This state Labor government will continue to focus on targeted assistance to enable people to get into the housing market. We will continue to do that. We will continue to deal with the supply side of land availability more than anywhere else on the eastern seaboard.

Mr O'Donohue interjected.

Mr LENDERS — Mr O'Donohue says, 'What a joke — supply side!'. He should actually go and have a little chat to his mate Peter Costello, who says it is the largest single issue in housing affordability. If Mr O'Donohue wants to have an argument with the federal Treasurer on the importance of the supply side of housing availability, I suggest that he get on a plane, fly to Canberra, go into the office of Mr Costello and get his head bitten off, because that is what will happen to him.

Mr Drum asked what difference stamp duty makes. I repeat that this government was the first in Australia to remove mortgage duty. Mortgage duty does not exist in Echuca; it does exist in Moama. Victoria was the first in Australia to start bringing down all these taxes. It was first in Echuca, not in Moama. I look forward to a discussion with Mr Drum, but I suggest, firstly, that he say who he is going to cut — which nurse, which teacher, which policeman — and which police station and which school in his electorate he is going to close, if he is going to be able to afford this.

Secondly, I suggest that he have a nice little chat to Sharman Stone, the federal member for Murray, whom he does not like much because she is in the wrong party, or that he have a chat to some member of The Nationals in the area, perhaps John Forrest, the federal member for Mallee, and ask, 'What are you going to do as part of the federal government to actually start addressing these housing affordability issues?'.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Treasurer) — I have answers to the following questions on notice: 469, 470, 684–6, 689.

ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Water inquiry

Mr HALL (Eastern Victoria) — I am pleased to move:

That this house requires the Environment and Natural Resources Committee to inquire, consider and report no later than 31 December 2008 on the relative merits of supplementing Melbourne's water supply by some or all of the following means:

- (1) further water savings that can be achieved by increased conservation and efficiency efforts;
- (2) the collection of stormwater;
- (3) the reuse of treated wastewater;
- (4) the use of groundwater;
- (5) small locally based desalination plants;
- (6) any other optional water source which appears to the committee to be appropriate; and

calls on the Victorian government to suspend plans to take water from the Goulburn catchment and for the construction of the proposed desalination plant at Wonthaggi until such time as the committee has reported.

Water is frequently the topic of discussion in this chamber, and so it should be, because it is the single most important topic invariably at a whole range of public forums that I am sure we all attend. Sometimes this issue of water is part of the broader climate change debate, at times it is discussed in regard to the broader national water plan agenda and occasionally our discussions on water even relate to an excess of water. Though that is a rare event, it happened in recent times when we had floods in Gippsland and the topic of water was again debated by this chamber. However, in most cases our discussions come down to the fact that this part of the world has received precious little rainfall in recent years.

I think what this has done though is to change the focus and change community attitudes with respect to water. It was not so long ago that we as a society had little respect for the preciousness of water as a commodity, but I am certain now that attitudes are significantly changing. One of the things that has sharpened people's minds is the fact that we have had water restrictions in Melbourne over the last couple of years; that has made people sit back and think more about the importance of water. It is quite interesting that now we even have a flag on the front page of the *Age* each morning which tells us what the Melbourne water supply dam levels are. If you look at the weather section of the other daily

newspaper, the *Herald Sun*, you will notice that it has a reservoir capacity chart. So I think Victoria's two main daily newspapers prove to us that water — the whole issue, but particularly water supply — is an important topic and one deserving of discussion both in this chamber and in the broader community forums that are held.

I do not want to speak for too long on the motion, because I want other members to have a chance to contribute. I would welcome the views of people from all sides of the chamber, and I would particularly welcome an opportunity to respond to the Leader of the Government, who made some taunting comments in his answer to a question without notice today. I hope he as Leader of the Government contributes to this debate as well and responds to the views that I will put.

I want to briefly outline Melbourne's current and future water supply situation and water use situation. I then want to comment on the government's response to Melbourne's water shortages. I will also comment on some of the suggestions different groups have put forward about how the shortages in Melbourne's water supply can be addressed. Most importantly I want to argue that the Environment and Natural Resources Committee of the Parliament should explore and evaluate all the different means of supplementing Melbourne's water supplies before Victorians commit themselves to the best part of \$5 billion for a water plan being developed by the government and imposed upon Victorians by the government and the government alone. Victorians have had no say in the priorities with respect to the government's water plan.

From the outset I say to the house that the facts and figures I will use in my contribution come from four documents chosen because they are government-produced documents freely available on the web. The arguments and the facts come from these, and I do not want to be derailed by an argument from either side of the house about whether these facts are correct or not. The facts are the facts of the government itself.

I turn to the four documents I am going to use. The first document is the government's water plan *Our Water Our Future — The Next Stage of the Government's Water Plan*. The second is the document *Water Supply-Demand Strategy for Melbourne 2006–2055 — Draft Strategy*, which like the first document bears the tag 'Our Water Our Future — A Victorian government initiative'. It was produced by WaterSmart, a grouping of the four major Melbourne water authorities which have come together and suggested how Melbourne's water supply needs can be met between 2006 and 2055.

The third document is the technical report *Melbourne Augmentation Program — Water Recycling Option*, which again bears the tag 'Our Water Our Future — A Victorian government initiative' and which was prepared by the capital projects division of the Department of Sustainability and Environment. The fourth document is one commissioned by Melbourne Water and undertaken by Sinclair Knight Merz, *Stormwater Recycling Feasibility Study*, a document again readily available on Melbourne Water's website. I am using these four documents as the source of the facts, figures and arguments I am putting forward in the hope that the government will not take up valuable time in opposing those facts on the basis of their being incorrect; they come from government documents.

Let me move to the first point I wish to make, which is in regard to Melbourne's current water situation. I will lay out some bare facts to set the scene for this debate. First of all I turn to water availability in Melbourne. Inflows into Melbourne's reservoirs in 2004–05 were 435 gegalitres, while the 15-year average between 1990 and 2005 was 474 gegalitres a year. I also want to mention that I am going to consistently use the measure of gegalitres rather than megalitres or billions of litres or millions of litres, because it seems the government conveniently mixes the two measures to make its story look better. A gegalitre is 1 billion litres, and I am going to consistently use that measure in presenting all of the facts I put forward in this debate.

In Melbourne on average we are looking at an input to water reserves of somewhere in the order of 450 gegalitres, give or take a few each year. The amount of water recycled within the Melbourne system is 46 gegalitres per year. There are various groundwater entitlements of up to 33 gegalitres per year available for use in the Melbourne metropolitan area. Not all of that allocation is taken up, but it is available and is used mainly for the watering of parks and gardens and reserves. Rainwater and stormwater collected within the Melbourne area is less than 1 gegalitre per year. That is the water available to Melbourne.

Currently Melbourne uses about 446 gegalitres per year. It is estimated that by 2055 Melbourne's water needs will be — and there is a range because of respective climate scenarios and rainfall patterns — between 540 and 656 gegalitres per year. If you look, therefore, at the difference between the current level of water use — 446 gegalitres — and the upper end of the estimated range for the year 2055 of 656 gegalitres, you see there is a deficit of 210 gegalitres of water. That is what we as a Parliament, or members opposite as a government, need to find — that is, an extra 200 gegalitres or

thereabouts — to meet Melbourne's projected water needs in 2055.

The other important fact I want to put on the record, because it is also crucial to this debate, is that wastewater generated by Melbourne's two main treatment plants — the eastern treatment plant and the western treatment plant — totals 350 gigalitres, of which only 46 gigalitres is recycled and reused and the remainder of which goes out to sea. That resource of 300 gigalitres of water is simply treated to a minimal level and dumped into the sea. That is important when you consider the fact that in 50 years Melbourne will need an extra 200 gigalitres of water, yet we continue to waste 300 gigalitres of water by pouring it out to sea. They are the facts, and as I said, I have supplied the documents that are the source of these facts.

I will put on the record what the Victorian government's solution is — and I am sure government members will elaborate further on it. The government produced its water plan in the *Our Water Our Future* document, and we have heard much of this since its publication. Essentially the water plan proposed by the government is comprised of five steps. I presume they are in priority order, because that is certainly the emphasis the government has put on them.

The first step is the construction of a desalination plant. As was reinforced by the minister today in question time, that plant is to be built at Wonthaggi and is to generate 150 gigalitres of water per year. According to the timetable, it will be completed by the end of 2011. We heard today that there would be a public-private-partnership arrangement for the building of the plant, which will be interesting. What if it suddenly starts raining and Melbourne has significant water in its catchments? Will there still be a monetary arrangement with the private owner and operator of this plant to supply the contracted amount of water per year, whether Melbourne needs it or not? It is an interesting scenario. We will wait with interest to learn some of the details of how this public-private-partnership arrangement for a desalination plant will work.

I will mention the other steps. As I said, the first priority is the desalination plant of 150 gigalitres. The second priority is to take water from the Goulburn catchment via a north-south pipeline that is said to be able to generate 75 gigalitres of water for Melbourne — and I will say more about that later — and come on line in 2010.

The third component of the government's water plan is titled 'Expansion of Victoria's water grid'. Essentially that refers to the building of a whole range of

interconnectors between various parts of the state, the north-south pipeline being one and a Tarago Reservoir connector being another. The only new water beyond the north-south pipeline and perhaps the desalination plant was a connector between Tarago Reservoir and, I think, Cardinia Reservoir. That interconnector will be completed by 2009 and will enable an extra 15 gigalitres of water to be piped to Melbourne.

The fourth priority under the government's *Our Water Our Future* plan is to increase recycling. Hear, hear! That is a really good start. I will talk more about that — I would have thought it would be the no. 1 priority. In any case the government documentation says that sometime after 2012 — it is not the priority; it will be sometime after 2012 — there will potentially be 95 to 225 gigalitres coming on line from this new source of water.

Finally, the fifth stage of the water plan is new and existing water conservation programs. Again, I would have thought that if this government had any environmental credentials or conscience, water conservation would be its no. 1 priority. It is not — it is its no. 5 priority, according to its plan.

If you add up all of those steps, it comes to somewhere between 445 and 465 gigalitres of new water that would be available to Melbourne. That is as much as Melbourne currently uses. I put the facts on the record. As I said before, we are looking to find an extra 200 gigalitres of water for Melbourne, and within the government's own water plan there will be potentially around 450 or 460 gigalitres of water available. I will use those figures in my arguments and contributions to this debate to suggest that neither the north-south pipeline nor the desalination plant are essential to meet Melbourne's future water needs.

If the government enacted all five steps of that water action plan, Melbourne would be awash with water and there would not be any water restrictions. I suppose Melburnians would say, 'Hear, hear!', but I am sure the people in the north of the state who will have been robbed of a further 75 gigalitres of water would not share those views.

What is wrong with the government's solution? I have listed eight arguments or reasons why I think it is a bad plan.

Mr Lenders — Two-thirds of your electorate is being ignored.

Mr HALL — I will come to this issue, Mr Lenders, because I think their needs can be more than adequately met without an industrial-sized waste facility being

imposed on the people of West Gippsland and without the people of northern Victoria being robbed of that precious commodity.

The first thing that is wrong with the government's solution is that it places water conservation as the last resort, whereas in the view of The Nationals it should be an absolute top priority. The second problem is that it takes water from country Victoria, where the water shortages are the greatest. Melbourne has had water shortages for the last couple of years; those who represent country Victoria will know that people there have been consistently on water restrictions. I can remember water restrictions being applied almost every summer of my life, and the situation has certainly gotten worse in recent years.

The third reason why I believe this solution is wrong is that it is the worst possible solution from an environmental perspective. It does little to achieve water conservation or encourage the use and treatment of recycled water, but simply generates significant environmental problems, particularly regarding the desalination plant, where there is a waste product that needs to be disposed to land and sea and power is needed to operate the plant.

The fourth reason is that it fails to address in any meaningful way — not until 2012, according to the government's own plan — the terrible waste of over 300 gigalitres of water discharged to the sea at the eastern and western treatment plants. Moreover, what will happen is that if water is taken from the north or desalination water is added to the system, we will simply have more and more wastewater being pumped out to sea; environmentally, that is irresponsible.

The fifth reason why I say this plan is a poor solution is that it fails to capitalise on the significant volume of rainwater collection and stormwater harvesting opportunities that currently exist. I will go through the contents of those reports shortly. Also, this plan creates significant energy use increases in desalinating and pumping water about the state. We already know that the desalination plant will require 90 megawatts of new energy to actually drive that plant and pump the water to Melbourne, and again a whole lot more power will be used to pump water from the north of the state to the south.

Mr Drum — It's all right, it's green power.

Mr HALL — And if it is green power, as the government claims, that means probably an extra 180 wind turbines for the people down there in West Gippsland, if it is going to be renewable energy that

will drive that desalination plant. The fact that it will supposedly be renewable or green energy is something that I would love the government to respond to and explain how it will suddenly find a new 90 megawatts of green power to power the desalination plant.

The seventh argument — I think probably this is the most important and compelling and probably the theme of my contribution — is that the government's solution fails to address the very basic notion that Melbourne needs to live within its own means, and it should make every effort to achieve that. This particular plan does not do that at all.

Finally, we will argue that Melbourne's present and future water needs can be met without the need for the proposed north-south pipeline, nor does it need the desalination plant proposed for Wonthaggi.

I want to say at the outset, to again cut off any criticism that might be forthcoming from the government, that The Nationals are not opposed to desalination plants. In fact I have even included that as a point in my motion. It was our policy at the last election that we should look at desalination plants as a possible future source of water for the state, but we believe communities should live within their own means; they should look for local solutions for local problems. And if it is that Melbourne has a problem with water supply and if it is deemed that desalination is required to assist in supplementing that water supply, then Melbourne should accommodate its own desalination plant in Port Phillip Bay or Western Port Bay, or Corio Bay if it is down in the Geelong area.

It does not have to be a 150-gigalitre desalination plant — the government said that is the optimal size it wants to build. That would be bigger than most desalination plants around the world. One has to question why it needs 150 gigalitres from a desalination plant, particularly when it is given all of the other potential new water sources or water savings sources that I have identified. The fact is that you do not need that size, and a small locally built desalination plant in Melbourne's backyard might be more appropriate than imposing on the lovely part of country Victoria that we have in West Gippsland. We are not opposed to desalination plants, we are simply saying that the one proposed for Wonthaggi is inappropriate and is not needed in the circumstances I have described.

What I want to do is to briefly mention the two projects that I have suggested should be suspended, before I move on to some of the other options. I want to talk firstly, albeit briefly, about the north-south pipeline because I am sure others who represent the northern

part of the state will want to speak more about that. The north-south pipeline is a proposed transfer of 75 gigalitres from the Goulburn catchment to Melbourne's reservoirs.

I say to myself: how can the government look somebody from the north in the eye and simply say, 'We are going to take the first 75 gigalitres of the savings we are going to achieve from your area because Melbourne needs it more than you do', when people in northern Victoria are getting irrigation allocations — I think I heard Wendy Lovell talking about this today — between 0 and 10 or 20 per cent maximum as the absolute allocation they have as an opening bid for this season, when people who actually pay for 100 per cent irrigation rights are getting something between 0 and 20 per cent as an absolute maximum?

How can this government look those people in the eye and say, 'Sorry, the first 75 gigalitres of any savings in the upgrade of irrigation infrastructure in the north is going to come to Melbourne. Melbourne's needs are greater than yours.'? What is the Eildon Reservoir's capacity? I heard it was 20 per cent full at this stage, and the lowest it has ever been at this stage of the year. It got down to about 5.4 per cent in the summer of last year and the level is expected to go lower.

I hear from my colleague the member for Lowan in the other place, Mr Hugh Delahunty, who represents the Western District — and Mr Koch would know this very well — that they got below 5 per cent in some of their water catchments during the summer. Water catchments throughout country Victoria are desperately low now, and we face an even more severe summer than the last. Therefore, how can the government have the hide to suggest that the first 75 gigalitres of savings in the irrigation infrastructure upgrade will go to Melbourne because Melbourne's needs are greatest? That simply goes against the theme that I want to push today — that is, that we should be looking to a local solution to a local problem. Melbourne should make a better effort to live within its own means.

The other point I want to make is about the desalination plant. Again I ask the government: how can you go and face the people of West Gippsland and just tell them, by government edict, 'You are going to be the recipients of a 150-gigalitre wastewater treatment or desalination industrial water factory in your backyard.'? It is a bit like the toxic waste dump situation, where the government had deemed a certain place was where it was going to be; then it knocked on the door in the middle of the night and told people, 'Sorry, these are our plans, you are going to have to cop it'.

There has not been one word of consultation with the people of West Gippsland over this desalination plant. Finally, after pestering, the Bass Coast Shire Council had a meeting with the Premier just last week, and again the questions they put on notice were not sufficiently answered. But no-one from the government has come down and conducted any form of meaningful consultation. It will set up an office front in Wonthaggi — it has not yet, but I suppose it will — and I suppose people will be able to go and get information about what the plans are down there, but it is not going to listen to people's views or debate the issue; it has decided where it is going to be located.

We had further confirmation this morning that this is the government's style, when we were advised by the Leader of the Government in this house that the Premier and the Minister for Water have flown down to Wonthaggi today and announced that the plant is going ahead, that it will be a public-private partnership, and to hell with what the people of West Gippsland actually think. How can you do such things without any form of consultation? Is this what the government has said is its interpretation of being honest, open and accountable?

I reckon the really ironic thing about all of this is that country people are pretty generous usually. They are not afraid to step in and help out their mates. If it was proven conclusively beyond doubt that a north-south pipeline was actually required or a desalination plant was actually needed for Melbourne's future water supplies, then I think country people would say, 'Fair enough' — but only if it were conclusively proven that that was absolutely necessary. After all, 60 per cent of Melbourne's water comes from Gippsland now.

Mr Lenders interjected.

Mr HALL — So I say to you, Treasurer: you should conclusively prove to the people of West Gippsland and the people of northern Victoria that a north-south 75-gigalitre pipeline is absolutely essential. Prove that you cannot get any new water from that 300 gigalitres of water going out to sea, that you cannot get any water out of the 500 gigalitres of rain that falls on Melbourne every year. If you cannot make better use of that to supplement the water supply, prove that conclusively, then we will think differently about the pipeline and the desalination plant. The Treasurer should think differently.

Mr Lenders interjected.

Mr HALL — I will welcome the Treasurer's contribution to this debate. I look forward to his making a reasoned contribution to this debate.

That is the ironic thing about this: if the government were to prove to the people of country Victoria that these solutions are the only ones, I think we would perhaps take a different view to what is being dumped on country Victorians currently.

Mr Lenders interjected.

Mr HALL — I want to look at some of the other options, and for the Treasurer's sake I hope he listens carefully instead of trying to interrupt all the time. I ask him to listen carefully to some of the options because they are options that have actually been put up by people whom the Treasurer of Victoria should have a vested interest in — that is, people from the water authorities, which I think report at least in part to the Treasurer.

I want to look at the WaterSmart document which I mentioned before. It is a document prepared by a coalition of four Melbourne water authorities: Melbourne Water itself, Yarra Valley Water, City West Water and South East Water. They made this contribution in April 2006 as part of the central regional water strategy that the government was consulting over while there. In terms of meeting Melbourne's future needs, they acknowledge, as the government does, that we need to find an extra 200 gegalitres of water by 2055, but they also base their calculations and assumptions on three facts of government policy at that time; they say it in the document very clearly. The three assumptions they make are, firstly, that there will be no new dams for Melbourne. I am not saying that The Nationals agree with this but we have certainly never suggested that no new dams will ever be needed. However, that is what they have worked their calculations on — government policy that there will be no new dams.

The second assumption they make is that water cannot be traded between Melbourne and northern Victoria. That was a government promise prior to the 2006 election. Now we see that has simply been broken at the whim of the government, which has said, 'Now we are going to take water from north to the southern part, to Melbourne'.

The third assumption they make is that there will be no water recycling for drinking purposes. That is one that is fine and sits comfortably with, I think, most of us in this chamber.

WaterSmart, the coalition of the four water authorities in Melbourne, suggested this is how we could find an extra 200 gegalitres of water for Melbourne. First of all, if we maintain the existing savings, we will achieve

water savings of 53 gegalitres per year. That is a pretty good start towards the 200 we need. Secondly, they say that if we increase water savings — both in the house and industrially, and also for recreational purposes — we have the potential to save another 49.5 gegalitres. I must say that is consistent with the government's own plan as well, that very clearly in the fifth and final part of their priority order for their water plan they identify about 100 gegalitres of water that can be saved by keeping the existing water conservation measures and introducing new ones.

The government water authorities say that an extra 5 gegalitres of water can be found by the increased use of rain tanks around Melbourne. Currently we collect less than 1 gegalitre of water. I might point out to members that the amount of rain that falls in Melbourne in any one year is 500 gegalitres — again, a figure from those documents. About half of it falls onto impervious surfaces — that is, roofs and roads and gutters and footpaths — so potentially we would be able to collect about 250 gegalitres of rainwater per year; as I said, at the moment we collect about 1 gegalitre of rainwater.

They also suggest that there could be a Blue Rock interconnection. That is something I am certainly not in favour of, but Blue Rock dam in Gippsland has some unallocated water; I think it is 40 gegalitres. I am not certain on that but WaterSmart suggests that 20 gegalitres of that water could be transferred to Melbourne. I personally do not support that, but they are options that should be looked at, considered and the merits or otherwise of doing that evaluated.

If we invested in greater water efficiencies around Melbourne, there is the potential to save 1.2 gegalitres, according to the WaterSmart document. But the big item is the alternative supplies that they could achieve. They suggest that over 70 gegalitres could be achieved by alternative supplies.

Within that category they suggest the use of recycled water for environmental flows. Potentially that could save and add to Melbourne's drinking supplies 70 gegalitres per year. That was the report I referred to before in my comments where we are looking at water recycling options; it is the Melbourne augmentation program. Within that document they outline different points around the eastern and western treatment plants but particularly they comment on the eastern treatment plant as a water environmental flow replacement program, that water could be treated at the eastern water treatment plant at Carrum Downs and then piped to the head of the Yarra River, and once it is treated it would be a better quality water than much of the water in the Yarra River already, and that water put into the Yarra

for an environmental flow, enabling the harvesting of more fresh water beyond that input point.

They actually say in this particular document — and I said before this document is produced by the Department of Sustainability and Environment — that up to 100 gigalitres per year of highly treated recycled water effectively meeting drinking water standards would be piped from the eastern treatment plant to the Yarra River below Yering Gorge, substituting environmental flows. So an input into the Yarra of 100 gigalitres per year would enable an extra 45 gigalitres per year to be extracted from the river for drinking purposes.

Does it not make sense, President, that we treat water to a standard that is better than the water quality in the Yarra already, take it back, put 100 gigalitres into the Yarra for an environmental flow and take 45 out? Everybody benefits from that. That makes 100 gigalitres of water that is saved from being pushed out to sea. The environmental flows in the Yarra are enhanced and an extra 45 gigalitres of drinking water is available to the people of Melbourne. It makes sense, and this is what the government documentation or the report that I just referred to says. There is a lot of other good stuff in there, and I would encourage members to have a look.

Also, within the potential to generate alternative supplies the report talks about the harvesting of stormwater. Consultant Sinclair Knight Merz looked into this for Melbourne Water and produced a document entitled *Stormwater Recycling Feasibility Study*. How do you collect all the rain that runs off the roads and through the stormwater drains et cetera? It all ends up in a creek or a river somewhere along the way. This particular study looked at 14 different points at which stormwater could be collected. There were five points along the Yarra River being looked at, three points on the Patterson River and two points on the Maribyrnong River, as well as a couple of separate new catchment basins that could be created.

One of the stipulations to the consultants here was that anything which would yield less than 20 gigalitres per year in stormwater collection would not be considered. I would have thought that most reasonable-minded people would have thought 20 gigalitres per year is setting the standard pretty high. After all, we are opening a major aqueduct between Cardinia Reservoir and Melbourne Reservoir for transporting just 15 gigalitres per year all the way from Tarago to Melbourne, and yet they are saying in this report that if it is less than 20 gigalitres per year collected, 'We will not consider it'.

In fact, if you looked at those 14 points, you would see only two exceeded a yield of 20 gigalitres per year consistently, and yet others yielded 12, 13, 14, 16 up to 18 gigalitres. If you added them all up, depending on the flow and the climate, compared from worst case scenario to best case scenario, potentially between 74 and 136 gigalitres per year could be harvested from those points as stormwater. I am not saying every one of those might be viable. There are five points in the Yarra, and you might take water out of only two, but potentially a significant amount of stormwater could be harvested from some of the rivers around Melbourne that collect much of the rainwater that falls onto the city and the stormwater it generates.

I also mention that the 15 gigalitres of water from Tarago Reservoir was part of the alternative supply of 73 gigalitres per year that is mentioned in the water report. They authors of the report did not put a figure on desalination, but they never talked about more than a 50-gigalitre-per-year desalination plant. As I said before, who says that a 150-gigalitre desalination plant has to be the size? Through WaterSmart, the government's own water authorities were looking at just a 50-gigalitre-per-year desalination plant as an option.

Finally, the authors of the report mention groundwater as a potential new source of water. They did not put a figure on groundwater, but they did mention the fact that there is a large aquifer in Werribee that is saline in its content but is only 10 per cent of the salinity of sea water, that and potentially following further studies there could be a significant source of water for the western part of Melbourne or indeed Geelong in the Werribee catchment if the government were prepared to look at that significant source of groundwater and investigate it.

What I am saying in all of that is that WaterSmart — that is, the consortium of the four Melbourne water authorities — has identified that at least 200 gigalitres of water, which is more than what Melbourne needs for 2055, can be found from a whole range of sources which do not include a north-south pipeline and, at best, include a very small desalination plant. My view is that even a desalination plant would not be required if some of those other measures were implemented. I want to mention a couple of other sources because paragraph (6) of the motion looks at any other optional water sources which may appear to the committee to be appropriate. I think there probably are some other sources, but I restricted the points and specific suggestions in that motion to encourage the concept that Melbourne should live within its own means.

I did not suggest as part of that that we should specifically look at the no-new-dams policy. However, I do not exclude that at all, because we in The Nationals have quite clearly said we should have an open mind about these matters and that it should be horses for courses. If there is an opportunity to do something without environmental detriment and there is going to be a positive benefit, then we should do it. We desperately need water, and if more water catchment were available, that would be great. New dams are a possibility that could be looked at by the committee.

There was also floated publicly an idea of building a Tasmanian–Victorian pipeline — to actually purchase water from Tasmania and bring it to Victoria. It is said that anywhere between 450 and 750 gigalitres per year could be obtained from the north-west of Tasmania. I have not consulted the Tasmanian government on this issue, but again it is a potential water source that should be explored. After all, we have the infrastructure that allows us to export gas and electricity from Victoria to Tasmania so it is not inconceivable that it could be viable to have a water pipeline connecting the two states. Those things should be explored. They certainly should not be discounted simply because the government is not prepared to do the hard yards to have a look at them.

I want to begin to conclude my comments. I encourage Victorians to continue to speak out on these issues. We saw a rally outside Parliament in the week that Parliament last sat by people who were protesting against the north–south pipeline. We see numerous letters being written to local and statewide newspapers, and I encourage people to continue to speak out on those issues.

I want to thank in particular a couple of organisations in my electorate. They are, firstly, the Bass Coast Shire Council, which I think has taken a very sensible attitude to the desalination plant. It has simply said to the government, ‘Prove to us that this desalination plant is necessary; prove to us beyond any reasonable doubt that this is absolutely vital for Melbourne’s water future and then we will think about it and work with you to try and facilitate something that might suit your needs’. But it is frustrated, as so many people are, that that conclusive work has not been undertaken.

I also want to congratulate the local action group Your Water Your Say. I think Mr Ken Smith, the member for Bass, presented in the Assembly yesterday a petition bearing the signatures of something like 4000 citizens. The petition was initiated by the Your Water Your Say action group, which has protested long and hard about the lack of consultation on this. Like the Bass Coast

Shire Council, that group is not satisfied there is conclusive evidence that the desalination plant is required.

I also want to congratulate the Victorian Women’s Trust, and particularly those responsible for producing the document entitled *Our Watermark*. I know there was some federal funding for the project, the Watermark Australia project, and there may have even been some state funding. It is a very worthwhile and very sensible document that looks at some of the things I have been talking about and encourages people in relation to those themes — that we need to be smarter about how we use water, we need to live within our own means and we need to look first of all at conserving and being more efficient with water before trying to generate water by other means.

In particular I want to congratulate Mary Crooks, who was a director of the Watermark Australia project and co-author of the document. She sent me a copy of the letter she sent to the Premier of Victoria on 6 August this year. I will read part of it. It states:

I write regarding the proposed desalination plant and the north–south pipeline. At this stage, you have no democratic mandate to proceed with these proposals. I urge you, therefore, to hold a referendum to allow Victorians to decide whether they are the most appropriate means of securing Melbourne’s future water supply.

The letter further states:

At the time of the November election, your government did not take any policy initiatives regarding these infrastructure projects to the people of Victoria. Yet, in less than a year, and with the next election more than three years away, your government now proposes these massive infrastructure projects. This has occurred without any public consultation, without the opportunity for public debate, without any examination of environmental effects or assessment of health and water quality issues, and without proper scrutiny from an independent authority on the costs and benefits of the schemes or the financial arrangements for them.

I will quote the last bit of the letter:

Our current problems with water can be turned around by embracing efficiency across all sectors of the Victorian community — in our households, industries and on our farms. Irrespective of the future impacts of climate change upon our water resources, our best chance of achieving a sustainable water future lies with us becoming super-efficient water users living within our existing water means.

I simply say, ‘Hear, hear! Well said, Mary Crook and all those who were involved with the Women’s Trust in producing *Our Watermark*’. The document contains very logical and sensible reasoning.

There is no doubt that we need to act quickly. There will be no argument from The Nationals about the fact

that we need to act quickly to supplement Melbourne's water supply. The quickest and easiest thing to do is firstly, to retain our existing conservation measures such as the restrictions that we have on water use in Melbourne now. Secondly, we can extend those restrictions and conservation uses and develop some of the water-saving measures identified in the *Our Watermark* document. Again, the government agrees that potentially the existing and new conservation measures can save up to 100 gigalitres per year. That can start today or tomorrow. It does not require large investments in infrastructure; it can be rolled out immediately. The 15 gigalitres from Tarago Reservoir will come on line in 2009. That is the next new major source of water. It is happening.

We do not have to jump in suddenly and start to build a desalination plant or the north-south pipeline. It would be just as quick, if not quicker, to build new treatment facilities at the eastern treatment plant and the western treatment plant to treat water to a standard that we could use at least for environmental purposes in our rivers or for recreational or agricultural use. We can start with the stormwater harvesting; there is no great difficulty in doing that. Again, we could complete a stormwater harvesting project in a much quicker time frame than we could the desalination plant or a north-south pipeline.

With respect to those two particular projects — the north-south pipeline and the desalination plant — this motion calls upon the government to tread water for a little while and have a look at some other options. That is not an unreasonable request to make of government. There is no great urgency to have 150 gigalitres of water tomorrow; there is no great urgency to have 75 gigalitres from the north coming to Melbourne tomorrow. In future years certainly we have to find those volumes, but not tomorrow. Putting in place greater conservation measures now is the most sensible and environmentally correct thing to do, and the government should do it.

I could quote a whole range of other issues, letters and comments I have had from people, but I will not. I have spoken long enough. All I am asking is for this Parliament to agree that one of our parliamentary committees, which we all support, should look at ways of supplementing Melbourne's water supplies and for the government to hold fire for 12 months on the desalination plant and the north-south pipeline to allow the all-party parliamentary committee to have a look at these options to see if there is not a better way, one which might have cross-party support, to supplement Melbourne's water supplies without embarking on two major projects that are simply causing greater division

amongst Victorian communities. I urge members of the chamber to support this motion.

Ms LOVELL (Northern Victoria) — It is a pity that these terms of reference were not referred to the Environment and Natural Resources Committee much earlier, before Victoria actually found itself in the depths of the water crisis in this state. We are in this crisis because of the government's inaction for the past seven and a half years on augmenting Melbourne's water supply. For the past seven and a half years we had a water minister who just sat on his hands and did nothing. He prayed for rain occasionally; in fact the whole of this government had its head in the sand. It thought the drought would go away. The drought has not gone away; it has only got worse. Now not only Melbourne but the whole of Victoria is in the depths of a water crisis.

This government would not even acknowledge the depths of the crisis late last year just prior to the election. It delayed moving Melbourne on to stage 2 water restrictions until after the election. Melbourne hit the trigger point sometime in October, but rather than tell the people of Victoria the honest truth about the state of our water supplies in Victoria, the government delayed bringing in stage 2 water restrictions until after the election. Then, as we moved through the trigger points, we moved on to level 3. But as we got close to the trigger point for level 4, this government invented a new water restriction — stage 3a. It actually invented similar restrictions for Bendigo, but it made a mistake and called it stage 4a. Stage 4a was actually less restrictive than stage 4. In Melbourne, after the government had its initial blunder in Bendigo, it actually did get it right and say that we would move to stage 3a, which is less restrictive than stage 4. However, we know that Melbourne should have moved to stage 4 restrictions, as had most of the communities through the rest of the state, particularly those in the north of the state from which this government thinks it is going to steal water.

Six months after the election this government looked for a quick fix when it suddenly realised that the drought was not going to break and we were in the depths of a crisis. It then said, 'What are we going to do about it?'. Its quick fix was that it would break its own election commitment. As Mr Hall said in his contribution, its election commitment was not to pipe water from north of the Great Dividing Range to south of the Divide, from an area where rainfall is scarce to an area where rainfall is higher, from a climate-dependent catchment. When the Melbourne storages are low, the northern Victorian storages will always be low. There is never going to be a time when

Eildon is full and the Thomson is low. There may be a time when the Thomson is full and Eildon is low, but never the reverse. So what did the government do? It not only broke that election commitment but it also broke a 50-year commitment by successive governments not to take water from north of the Divide, where rainfall is scarce, and pipe it to south of the Divide, where rainfall is more plentiful.

In its quick fix the government also looked to the Liberal Party's election policy and it adopted the Liberal Party's policy to build the desalination plant — a policy that Labor did not have during the election. The announcement of Labor's desalination plant was on 19 June this year. That confirmed that Labor had done nothing in its first two terms of government to address Melbourne's future water needs.

The Liberal Party was appalled at Labor's plan to pipe water from north of the Divide. As I have said, rainfall is scarce north of the Divide and those communities have nowhere else to go for their water. They get their water from the Goulburn system or the Murray system and they have nowhere else to go. South of the Divide there are other opportunities provided by desalination, recycling et cetera, but north of the Divide there is nowhere else to go. We are absolutely appalled that this government would rob the country communities of their water. The day that it announced that plan its own water authority, Goulburn Valley Water, sent out a letter to 33 towns in the Goulburn Valley region to tell them they would be moving to stage 4 water restrictions.

When one of the local journalists in Shepparton pointed this out to the minister's office, the minister said, 'Oh, that is okay, Melbourne can stay on stage 3a because its storages are not as depleted as those of the Goulburn Valley'. What an insult. Our storages are more depleted than Melbourne, but Melbourne can have 75 billion litres of our water and this government plans to take it before it has even done the infrastructure upgrades to find any savings. There are no guarantees that any savings will be found; the only guarantee is that 75 billion litres of Goulburn River water will be piped to Melbourne.

The Liberal Party is totally opposed to the north-south pipeline. It is a flawed plan. I have explained it all. The catchment is in stress, it is a climate-dependent catchment, and the plan will steal water from irrigators and communities in northern Victoria. The government has not even had the decency to conduct a socioeconomic impact study of the effect that this will have on northern Victoria. It has just said, 'Melbourne needs water, we are going to take your water. Don't

worry about your communities, they can all close down. The Goulburn Valley can dry up. The food bowl can become the dust bowl. We don't care as long as Melbourne is okay'. That is the attitude of the city-centric Labor government. Not only has it not conducted a socioeconomic impact study on the effect that this will have on northern Victoria, but it has also not committed to conducting an environment effects statement on the impact of the construction of the pipeline. The construction of the pipeline will have a significant impact on the biodiversity of sensitive bushland and also on the agricultural integrity of highly productive farmland.

We have seen the construction of the pipeline from Colbinabbin near Bendigo. Mrs Petrovich, Mr Kavanagh and I have inspected that. We have seen the damage that was done to highly productive farmland. In the haste to build that pipeline soils were not reconstructed properly, and I doubt that that land will ever be as productive as it was before the Bracks government cut its scar across it.

The government is deceitful. It is telling Melbourne that it has the support of the communities north of the Divide to build this pipeline and to take their water. It is saying that the communities in the north actually came in and invited it to do this. It is saying they asked it to take their water. That is not true. What has happened is that communities north of the Divide know we need investment in our infrastructure. Our infrastructure is over 100 years old. It is leaky. We know there are problems, and we desperately need investment in that infrastructure — infrastructure that is owned by the state. But this government has not spent the money on upgrading that infrastructure. So a handful of people, a very small minority, came up with a plan that they thought might get this government to invest in infrastructure in exchange for water. It is a silly idea, and it is one that is not supported by the majority of the community.

We have had numerous well-attended public meetings and protests. We have a petition that has been signed by over 15 000 people telling this government that it does not have the support of the communities north of the Divide for this project. I have recently written to the Minister for Water inviting him to attend a public meeting to hear the concerns of the community. What is happening at the moment is that the Premier and the water minister sneak into town, sneak into the communities in the north, meet with the people who agree with them, their cronies, and they sneak out of town. Then they say, 'See, no protests. No objections. Everybody loved us'. They need to come and face the real people. They need to hear the concerns of the

people whose lives are going to be destroyed by this project.

The Liberal Party would certainly welcome the Environment and Natural Resources Committee conducting an investigation into alternative sources of water to supplement Melbourne's water supply. We would also be delighted if the government were to suspend its flawed plan to steal water from the irrigators and communities north of the Divide. However, we are unable to support the motion in its current form, and there are two main reasons for that. One is the deadline of December 2008. We know that Melbourne has a crisis right now and that deadline needs to be much sooner. Pushing out any decision on augmenting Melbourne's water supplies until 31 December 2008 will not benefit the whole of Victoria. It will not benefit Melbourne, but it will not benefit the rest of Victoria either. We will be moving an amendment to bring that forward as a matter of urgency. The second reason the Liberal Party cannot support the motion in its current form is that the Liberal Party strongly supports the need for Melbourne's water supply to be supplemented through desalination. Indeed the Liberal Party was the first party to propose this as a policy for the last election. We stand by that policy to build a desalination plant in Victoria and to provide desalinated water to supplement Melbourne's water supplies.

I now wish to circulate and speak briefly to the Liberal Party's amendments. Amendment 1, as I said, will change the reporting for the Environment and Natural Resources Committee from 'no later than 31 December 2008' by replacing it with 'as a matter of urgency' because it really is urgent that these issues are addressed. We believe the Environment and Natural Resources Committee should take up this inquiry straightaway and work extremely hard over the next few weeks and come back as soon as possible with the answers that are needed by the government.

Our second amendment is to insert another line to the motion where Mr Hall has listed a number of things that the Environment and Natural Resources Committee should investigate. He listed further water savings that can be achieved by increased conservation and efficiency efforts, the collection of stormwater, the reuse of treated wastewater, the use of groundwater, small locally based desalination plants, and any other optional water source which appears to the committee to be appropriate. The Liberal Party would insert a further provision that new water storages and dams should also be investigated by the committee.

Our third amendment is a consequential amendment to omit '(6)' and insert '(7)'.

The final amendment proposed by the Liberal Party is to omit all the words after 'Goulburn catchment and' at the end of the motion and to insert in place of those words 'to consult with the affected community on the location of the proposed desalination plant at Wonthaggi'. The reason we have done this is that, as I said, we support the building of a desalination plant in Victoria. Our party has spoken with people at Wonthaggi, and we understand that there are some people in that community who are very upset about the location of the plant. There are some people who oppose the plant, and there are some people who support it but do not support the location of it. Certainly in that area they will also benefit from having some additional water supplied to them through desalination, but there are mixed feelings in that community. The main problem is that this government has failed to consult with that community. The majority of the community believe the desalination plant is in the wrong location. We would like to see some further government consultation with that community on the location of the desalination plant.

The government has simply gone to those communities and told them that this is going to be there. This is very similar to what it did with the toxic waste dump when it first announced its first three sites at Violet Town, Tiega and Pittong. A government official just arrived at the door of people who lived on private property and told them their land was being acquired for the proposed toxic waste dump. This is a similar process that the government has followed with the people of Wonthaggi. It has been an imposed policy; it has imposed a desalination plant on that community without any consultation at all. That is the wrong way to go about it. The government must go back and consult with that community.

The difference with the Liberal Party's proposal is that it was committed to an environment effects statement process, which would have established the site of the plant. But this government has not even committed to having an environment effects statement with the construction of its desalination plant. Another difference between this government and the Liberal Party is that the Liberal Party would have delivered this project on time and on budget. As we found out today, the Labor Party is already running one month behind schedule on the desalination plant. It only announced the project on 19 June, yet it is already one month behind. The reason we know this is that Labor's own document, *Our Water Our Future*, actually said that a public information office would be opened by the end of August.

Today is 19 September, and it was only today that the Premier went down and opened that office. We are already a month behind, and — goodness knows! — by 2011 we can only imagine how far behind this government will be in delivering that project. The Premier's visit today was an insult to the Wonthaggi community. Just as they did north of the Great Dividing Range, the Premier and the Minister for Water snuck into town for their media opportunity. They met with a few of their cronies and will not consult with the local community. They must consult with the local community so there will be a reduced impact on the community and on tourism and also to protect the integrity of highly productive farmland in that region.

As I have said before, the reason we are in this crisis is that Labor has failed to deliver for Victoria on future water policy. It has failed to provide sources of additional water to meet the needs of a growing population. We know that government members are planning for a million more people in Melbourne by 2030, yet it is still coming up with quick-fix plans that even the head of Melbourne Water has acknowledged will not service Melbourne until post-2011. By 2011 Melbourne will already be needing additional water supplies. The government has failed to adequately recycle water and at the moment is recycling only a very small portion of the water that is available for recycling in Melbourne. The government has collected more than \$2 billion in levies and taxes from Victorian water authorities but has failed to reinvest that money in vital water infrastructure. It has also failed to recycle water, to capture stormwater, to fix leaks, to reduce seepage and evaporation or to expand the water supply system. Some 8 to 10 per cent of all Melbourne's water is lost to leaks from water pipes yet no work has been done to stop that water being lost. More than 150 000 new homes have been built in Melbourne over the past seven years, yet fewer than 500 of these new homes have had third-pipe recycling systems installed in them.

The government has failed to capture stormwater, even in its own major projects, such as Federation Square and the redevelopment of the former Spencer Street station. Labor failed to include the capture of stormwater on those two projects. Later an announcement was made that there would be retrofitting to capture some stormwater at Southern Cross station, but it just shows the lack of vision by government members in planning that project. The government has also failed to provide incentives for the installation of rainwater tanks on new houses. Indeed in an article in the *Herald Sun* only last Sunday it was stated that the Premier does not have a tank connected to his house and that the Minister for Water has only

recently ordered one. I would say that he went out and ordered one after he was appointed.

Mr Barber interjected.

Ms LOVELL — I was not going to mention Mr Barber, but as he has volunteered, I will. Mr Barber said, 'Neither do I', and I have to admit that neither do I. We have an alternative form of water supply in that we have a 2-megalitre stock and domestic diversion licence on the Goulburn River, but at the moment we do not even have a pump on it. We pay our diverters licence, but we donate our 2 megalitres of stock and domestic water to the environment every year as environmental flow.

Labor has also placed communities along the Maribyrnong River at risk by not planning for flood events on the river. This has forced the Victoria Racing Club to construct a flood wall to stop the Flemington racecourse being periodically inundated, which in turn has increased the risk of flood damage to the surrounding residential and commercial areas. People in the area are concerned about the government's lack of investment in flood mitigation on the Maribyrnong River.

Labor has no solutions. As I said, after seven years in office members of the Labor government have failed to provide any solutions. All they have come up with is more committees and some very high-risk ideas. As Mr Hall said, Melbourne has been using around 450 000 megalitres of water a year for the past few years. This year we should expect to see a slight reduction because Melbourne has been on water restrictions at the stage 3 level and above for at least half the year. If we look at the history of water restrictions in Melbourne, we can see that in November 2002 Melbourne was on stage 1 restrictions and that in August 2003 it went to stage 2 restrictions. In March 2005 permanent water-saving plans were implemented for Melbourne, then in September 2006 it went back to stage 1 restrictions. As I said before, the trigger point for stage 2 restrictions was reached in October 2006, but as we were in the lead-up to an election the government deferred that decision, and Melbourne went on to stage 2 restrictions in 1 November 2006. In January 2007 it moved to stage 3 and in April, as the trigger for stage 4 restrictions approached, the government invented the new stage 3a restrictions.

What are the solutions for Melbourne? Recycling is one of the main solutions. Melbourne Water's reporting on recycling is very misleading. Its latest annual report states that 14.61 per cent of Melbourne's water is recycled, but the truth about that lies in the definition of

what is true recycled water and what is not. I would say that water is only true recycled water if it is used to supplement a potable water supply. At the moment, of a total volume of 43 760 megalitres some 21 707 megalitres is recycled and used on the Werribee farm at the western treatment plant, and 14 067 megalitres is used on site at the eastern treatment plant. I would say that neither of these can be considered to be true recycling because they do not replace potable water that is being used elsewhere. Melbourne Water is only recycling water and using it on its own property.

There are concerns about the water from the western treatment plant, because it is quite salty. The government's target is for 37 000 megalitres of water to be used on the Werribee farm by 2010. I would say that is extremely irresponsible, given that the water is known to be salty — 37 000 megalitres of salty water is going to be poured onto that farm annually. I come from the Goulburn irrigation district, where we have learnt over the years the damage that can be done to farmland by using salty bore water or by using too much water and raising the salt tables. Our irrigators have been acting responsibly over the past 30 years by reducing the amount of water that they have used on farms and preventing salinity, yet here we have a government which is going to pour 37 000 megalitres of salty water onto a farm. For those people who do not normally talk in megalitres and gigalitres and do not have an idea of how much water that is, the total Werribee irrigation district has an allocation of 10 000 megalitres. We are talking about a quantity of water that is almost four times the total allocation for the Werribee irrigation district being used on the Werribee farm, at the western treatment plant. It is an extremely large amount of water — about 37 000 Olympic-sized swimming pools — and that should be a major concern for all of us.

The only true recycled water that is used in this state is made up of 75 megalitres that is used in the Werribee tourist precinct, 1279 megalitres that is used in the Werribee irrigation district, 5174 megalitres that is used in the eastern irrigation scheme and 1458 megalitres that is used on the south-eastern outfall at Gunnamatta. This is only a mere 2.7 per cent of Melbourne's water.

By 2010 the true water recycling figure is expected to grow only to 4.8 per cent, which is a long way from the 20 per cent target that Labor has set. Both treatment plants treated about 300 megalitres of wastewater in 2005–06, but approximately 365 megalitres a day goes out of the Gunnamatta outfall. This shows that a lot more water can be recycled and used in Melbourne.

As I said before, the problem with the western treatment plant is that the water is known to be salty. In October last year Werribee irrigators who were using recycled water actually suffered a crop stunting episode which they blamed on the quality of the recycled water. Unfortunately for them, it was unable to be proved that the quality of water was poor, because Melbourne Water had not kept samples of this water for testing. This was irresponsible; Melbourne Water must keep samples for testing so that if there is a freak event like that one, people can go back and establish whether an event was caused by water or not.

In contrast the eastern recycling plant, including its irrigation scheme, is very successful and is currently fully subscribed to. Its water capacity cannot be increased until the private operator, which is TopAq, a division of Earth Tech, actually completes negotiations with Melbourne Water to increase its capacity. There are only a few hundred houses, if that many, that have been connected to a third pipe system in this state. This presents a tremendous opportunity to use recycled water.

There are also many opportunities to dramatically increase the use of recycled water in industry and irrigation. One of them is to pipe the water to the Altona industrial sector or pump it to Bacchus Marsh and Melton market gardens or new estates on the fringe of the city. We can use recycled water on our parks, gardens and sporting grounds. The government needs to make a far greater investment in recycled water.

There is no work being done to continue the successful sewer mining projects that were undertaken by Melbourne City Council in previous years. Melbourne City Council has a proposal to place a permanent sewer mining project in Princes Park. It has applied to the state government for assistance with that project, but as yet the state government has failed to commit any funding to assist the council to go ahead with it.

Stormwater is another opportunity for Melbourne; it is estimated that enough stormwater falls on Melbourne, flowing out through the Yarra River, to supply the whole of Melbourne. This water saving has not been actioned because it is difficult to capture and treat that water except in small areas. The government has said, 'This is too hard'. But these are the types of projects that the government must be looking for and Melbourne must begin to use stormwater as soon as possible. Other areas have done this; Adelaide has been investigating stormwater and been using it for some years now. Stormwater and aquifer storage have been used right across the world.

There are other benefits to using stormwater. By applying the resources to clean up stormwater for its reuse, there is also the added benefit of cleaning up Melbourne's beaches and rivers. The necessary infrastructure to remove litter and waste from stormwater to allow for the capture and use of water would also reduce the pollution that is currently entering our streams and going out into Hobsons Bay and into Port Phillip Bay.

There are other opportunities for augmenting Melbourne's current water storage capacities. The government should be willing to investigate new dams and storages. Some of those opportunities involve the Barkly River, the Aberfeldy diversion, Konagaderra and a new storage at Arundel, which would solve some of the problems of flood mitigation of the Maribyrnong River.

The Newlingrook aquifer is also another large, vast and almost untapped resource in the Otways. The allocation limit for that aquifer is actually 75 000 megalitres per year, but currently there are licences for up to only 2000 megalitres to be used. A further 73 000 megalitres could have been accessed and supplied to Geelong. Geelong now uses about 28 000 megalitres of water a year; sitting in the Newlingrook aquifer is almost three times the water that Geelong needs. That figure came from the state government's water report.

If the government were to access the Newlingrook aquifer, it would free up Geelong's share of Lal Lal Reservoir, and that water could be used by Ballarat. This would save the Goulburn water being piped from Bendigo to Ballarat; there would be no need to pipe that water from the Goulburn Valley and there would also be no need for Goulburn water to go to Geelong via Melbourne through the north-south pipeline.

I would like to read a small section of a report written by Mr Bruce Bassed, one of my constituents, who is very knowledgeable about water. He has entitled this report, one of many he has written, as 'Melbourne water supply: alternate sources to Brumby's water plan'. Bruce said:

The cheapest short-term solution to improve the storage capacity for Melbourne's water would be to remove part of or all the storage component of conservation flows from Thomson Reservoir.

A small dam of 80 000 megalitres on the Aberfeldy River or Thomson River upstream of Coopers Creek would remove half the storage component of conservation flows from the Thomson Reservoir. The cost of this dam would be less than \$150 million and would have resulted in 550 000 megalitres, 52 per cent, in the Thomson Reservoir at the end of 2006 and no water restrictions in Melbourne.

Bruce's solution is to build a new dam that would remove the need for that storage component in the Thomson River for environmental flows. We believe that an alternative to that would be the Aberfeldy River diversion, which could be built much cheaper and would achieve a similar result.

The report goes on to say:

Alternative development could see a small diversion weir on the Barkly River with a pipeline and tunnel to the Thomson Reservoir (30 kilometres) and then further into the future a diversion weir on the Wonnangatta River connected to the Thomson.

These would secure Melbourne's water supply by harvesting high-quality water for many years into the future, far better quality than available from Lake Eildon. The cost of these works would be approximately \$1.5 billion, considerably less than the \$5 billion proposed by Mr Brumby and the additional savings in massive power generation required by a desalination plant and pumps. Melbourne Water have stated that Mr Brumby's proposal will only serve Melbourne up to 2010.

Here we have one Victorian who has come up with some alternatives to the governments plan. I am sure that if the Environment and Natural Resources Committee were also to investigate, it would come up with many more plans for Melbourne that would see Melbourne's water supply augmented and would avoid the need for water to be stolen from north of the Divide.

As I have said, Melbourne is in desperate need of additional water supplies. This can be achieved by augmenting the current storage capacity through the construction of new storages, by accessing groundwater, by recycling, by the collection of stormwater and by the construction of a desalination plant. The Liberal Party supports all these initiatives, but we are vehemently opposed to the government's plan to pipe water from north of the Divide to supplement Melbourne's water supply.

The Liberal Party supports the terms of reference being referred to the Environment and Natural Resources Committee. However, we have two main concerns with the motion that is before us, and they are the reporting date of 31 December 2008 and a delay in the construction of the desalination plant in Victoria. Therefore I move:

1. Omit 'no later than 31 December 2008' and insert 'as a matter of urgency'.
2. After paragraph (5) insert —
'(6) new water storages and dams';
3. Omit '(6)' and insert '(7)'.

4. Omit all words after 'Goulburn catchment and' and insert 'to consult with the affected community on the location of the proposed desalination plant at Wonthaggi.'

I urge members to support these amendments.

Ms PULFORD (Western Victoria) — It gives me pleasure to speak on this motion. I would like to start by commending Mr Hall on his decision to move a motion proposing the referral to the Environment and Natural Resources Committee of a question that is in the interests of us all. As government members we have stated in this place on many occasions that we believe the existing parliamentary committee structure serves us very well and provides an opportunity to explore issues. We have stated we believe that is a better and more appropriate place for us to be discussing things than under the select committee process, which opposition members have been enjoying so much. The Environment and Natural Resources Committee is of course by contrast not a select committee established to make a political point with the usual absence of any regard for proportional representation.

I commend also the need for us to discuss the very important issue of securing water supplies for all Victorians. The impact of the drought is terribly far reaching and significant in so many people's lives in an environment in which almost all of us — not perhaps all federal government members, but pretty much all of us apart from them — now acknowledge that climate change is a very real concern. These are issues we need to tackle, and there is an obligation on us to create an environment in which we can be sure that our water will be secure into the future.

Mr Hall's motion refers to several points, and I will certainly go to all of those in my contribution. Paragraph (1) is about water saving, paragraph (2) is about the collection of stormwater, paragraph (3) is about the reuse of treated wastewater, paragraph (4) is about the use of groundwater and paragraph (5) is about the use of desalination to augment water supplies. Paragraph (6), however, is the point at which we disagree. As currently proposed, it reads:

- (6) any other optional water source which appears to the committee to be appropriate; and

calls on the Victorian government to suspend plans to take water from the Goulburn catchment and for the construction of the proposed desalination plant at Wonthaggi until such time as the committee has reported.

That is where we part company with Mr Hall.

This is perhaps an appropriate moment for me to refer to the amendment which has been circulated to

members earlier this morning and which I believe will be circulated further now. I move:

In paragraph (6), omit all words and expressions after 'appropriate;' and insert 'and; also notes the Victorian government's commitment to its \$4.9 billion plan to secure Victoria's water future as presented in its *Our Water Our Future — 2nd Phase* policy document 2007 and calls on the government to proceed with its plans as a matter of priority.'

Just this morning the Premier, John Brumby, and the Minister for Water in the other place, Tim Holding, made an important announcement. They were in Wonthaggi this morning and announced that the \$3.1 billion desalination plant will be delivered as a public-private partnership and will create around 3180 jobs during construction. The water minister and the Premier also declared open a project information office that will provide the local community with access to information about progress on the project. We are absolutely getting on with this very significant water infrastructure project. Whilst The Nationals would like to suspend this work through this motion, we are undertaking the steps absolutely necessary to make the project happen. We are very serious about securing our water future.

On the subject of amendments, I would like to comment on the amendments that Ms Lovell provided to us during the course of debate, which stand in stark contrast to the way in which we circulated the amendment standing in my name. Our amendment was provided some 7 or so hours ago to members in this place. Ms Lovell's amendments have just been provided to us in the last couple of minutes.

Mrs Peulich interjected.

Ms PULFORD — A little disorganised, or perhaps a little cheeky. In response to Ms Lovell's proposed amendment 1, we do not believe there is a relationship between the Environment and Natural Resources Committee and the delivery of these projects. These projects need to be delivered, and we will do what is required to deliver them. Ms Lovell's amendment 2, which proposes inserting the words 'new water storages and dams' in lieu of the words 'any other optional water source' seem pointless at best. Amendment 3 is of course a renumbering point. Amendment 4 seeks to require consultation with the affected community on the location of the proposed desalination plant. The Liberal Party clearly thinks it can cherry pick some projects for different approaches. It is ironic that today it is seeking to have a discussion about consultation when in fact what happened earlier today was that that information centre was opened. It is there in the community and

available to provide people in that area with information about the project.

The Liberal Party interpretation of consultation I think is really code for delay. I am not sure that Liberal Party members mean consultation so much as holding things up and making a political point. On the one hand we have Ms Lovell telling us that there is a significant crisis and on the other hand Liberal Party members are playing politics and wanting to delay as usual. Ms Lovell must be in Baillieu land, because her opening comments suggested that in nearly eight years the government had been inactive in the area of securing our water future. Remarkably she said that the former Minister for Water and Deputy Premier, John Thwaites, had sat on his hands. In response to that, I would like to remind members about some of the government's achievements in this area.

Since coming into office in 1999, \$5 billion in total has been invested in water projects. That includes \$1.7 billion from the state government and \$3 billion from the water authorities. In 2004 the government launched Our Water Our Future and put in place a framework for long-term planning. Our Water Our Future recognised the importance of water availability and security as key strengths of the Victorian economy and recognised that we needed to act urgently to manage any threat to that security. A major focus, as members in this place know, was water efficiency and conservation. Unlike members of the Liberal Party, who have only just moved on from being climate change deniers, we did not wait until things reached crisis point.

Projects already completed include the \$525 million refurbishment of the Eildon Dam, the \$246 million pipelining of Woorinen water supply and the \$130 million new town sewerage scheme. I turn now to projects currently under way — and these must have been projects that the previous water minister, John Thwaites, put in place while, as Ms Lovell suggested, he was sitting on his hands. He must have been very busy with his feet! Funding for projects currently under way include \$145 million of Melbourne stormwater project grants, \$17 million for the Surbiton Park recycling project, \$33 million for automated irrigation technology and measurement, \$160 million for the Gippsland Water Factory recycling plant in Latrobe Valley, \$174 million for projects to improve water and sewerage systems in country Victoria, \$278 million for the goldfields super-pipe to Bendigo and Ballarat, which includes the commonwealth's contribution of \$25 million for the Bendigo portion and a nominal \$31 million for the Ballarat extension.

We have also invested in numerous initiatives to encourage people to reduce their water consumption and are now seeing the results of that work. More than 150 000 rebates have already been provided to Victorian families under the WaterSmart gardens and homes program. This has led to water savings of more than 1 billion litres of drinking water per year. In the budget this year we committed a further \$20 million to continue this program for another four years and to double the rebate for large water tanks to \$1000. Similarly we have funded 66 projects already through the Stormwater and Urban Conservation Fund, saving 2 billion litres a year. We have committed another \$10 million in this year's budget to continue this program.

I will briefly return to the goldfields super-pipe. As I live in Ballarat, the connection from Bendigo to Ballarat is an issue pretty dear to my heart, and I know it is an issue very dear to the hearts of everybody in that area. The state government some time ago committed \$70 million to that project, and Central Highlands Water committed \$20 million. The federal government's share of the project is \$90 million, and after much prevaricating, Mr Malcolm Turnbull, the federal water minister, came to town one Sunday afternoon without any fanfare, which is unusual for a federal government minister, and offered \$31 million with a whole lot of strings attached to fund the payment of interest on the \$90 million that would have to be borrowed to fund the rest of the super-pipe.

The suspension of logic here is astonishing even by federal government standards. It is good enough for Bendigo to get the super-pipe — the federal government has funded it to Bendigo — but it does not seem to be good enough to fund it to Ballarat. While the federal government has funded the super-pipe to Bendigo, and it is now on line, Malcolm Turnbull says he does not believe in the super-pipe project. Is it that it was a bad idea to fund it for Bendigo and therefore a bad idea to fund it for Ballarat, or does he believe it is a good idea and the federal government will fund it to Bendigo and to Ballarat? There is a complete suspension of any consistency and logic here.

The only conclusion I can draw is that it is to do with those members who were in The Nationals and are now in the Liberal Party: Samantha McIntosh, the federal Liberal Party candidate for the seat of Ballarat, who was a Nationals candidate in our state election not so many months ago, and Senator Julian McGauran. They must have a lot in common. They must discuss where in The Nationals headquarters is the drawer where you get the form to join the Liberal Party.

I would have thought most members in this place would have held fairly dearly to the political principles that brought them to their party and ultimately to this place. I would certainly like to think that would be something that all 40 of us in this chamber would have in common; that there is not — —

Mrs Peulich — We are different from you.

Ms PULFORD — That is very disappointing, Mrs Peulich. On my side of the chamber we have a consistent set of values that we hold dear in our hearts and minds. Anyway, the only conclusion I can draw about why the federal Liberal Party thinks it is a good idea to fund the super-pipe to Bendigo but not to Ballarat is that these locals — Julian McGauran and Samantha McIntosh, that curious subset of the Liberal Party for people who were in The Nationals only a year ago — have torpedoed it. It is a curious thing.

Mrs Peulich — Talk about water!

Ms PULFORD — The relationship with water is the impact that their actions will have on water prices for people, working families and businesses — for all water users — in Ballarat. I would have thought that this critical water infrastructure funding is very relevant.

Unlike those of the federal government, our government's initiatives have delivered real water savings. We would be in a much worse position today had the government not taken the lead over the last eight years and put in place such a comprehensive plan. However, in spite of all our hopes, now we have the twin pressures of a growing population and economy and rainfalls and inflows that remain very low. What we need to do is secure Victoria's water supplies for future generations. The need for a clear plan is as important as ever.

In 2006 Victoria experienced the worst year of drought and the lowest stream flows in its history. Inflows into Melbourne's catchments and other major catchments have been consistently below 100-year averages. So it is obvious that we need to increase our water supplies. The way to do this is to invest in infrastructure to deliver the extra water needed to meet the challenges of ongoing drought, climate change and population and economic growth.

In June 2007 we followed up the 2004 Our Water Our Future plan with the release of the next stage of the plan, which outlined the new projects to secure our water supplies — and some of these have already been discussed. This is a \$4.9 billion statewide investment. It involves building one of the world's biggest

desalination plants, the Wonthaggi plant, which is a \$3.1 billion investment. It also involves Australia's biggest ever irrigation upgrade for the food bowl — the \$2 billion food bowl modernisation project. These projects will deliver 375 billion litres of new water — 150 billion from desalination and 225 billion from stage 1 of the food bowl modernisation project.

The eastern treatment plant upgrade for recycling water will provide 100 billion litres from 2012. This will, we believe, result in a 50 per cent boost to Melbourne's water supply and a 50 per cent boost to Geelong's water supply. The plan includes 250 kilometres of new pipes, expanding the Victorian water grid so that we are able to move our scarce water resources around to meet the greatest need. Mandatory water saving rules will also be introduced for big industrial users.

The next stage of Our Water Our Future will see \$4.9 billion invested in securing water supplies for regional and urban communities through a diverse range of projects. The government expects that there will be significant price increases to pay for this. Water bills in Melbourne are expected to double by 2012. We believe it is incumbent on the government to provide real water security. The package that has been put together is incredibly comprehensive.

Desalination is a major step forward. It will enable us to access a source of water that does not rely on rainfall. We will build Australia's biggest desalination plant. While desalination is relatively costly, it will alleviate the pressure on current water storages and supplement existing water supplies that are declining with the drought and the effects of climate change. Even the availability of recycled water is affected by drought and climate change, because lower volumes of wastewater go to treatment plants.

As I said, the desalination plant will produce up to 150 billion litres of water a year. Reverse osmosis technology will convert seawater into drinking water. Melbourne's supply system will be connected to Cardinia and Silvan reservoirs by 85 kilometres of pipeline. It will be one of the largest desalination plants in the world. Renewable energy will be purchased to offset the 90 megawatts of electricity it is anticipated the plant will use. It will deliver the single largest boost to Melbourne's water supply since the Thomson Dam was built 25 years ago. It will provide more than one-third of Melbourne's yearly water needs without relying on rainfall in our catchments. For a former minister who has supposedly been sitting on his hands, that is pretty impressive.

The other key new project is the food bowl modernisation project. The Goulburn–Murray water delivery system for the food bowl is old and inefficient. It currently loses twice the amount of water used by Melbourne each year — that is, through it more than 800 billion litres disappear from our systems. We will renovate the ageing irrigation delivery infrastructure, much of which was built over 80 years ago, and reconfigure the supply systems. We believe this will improve delivery efficiency from 60 per cent to 85 per cent, saving at least half the water now being wasted. In addition to water savings, modernisation will improve water-use efficiency, improve service delivery through reduced lead times for water provision, enable water to move to its highest value use and increase competitive capacity within the water market.

The first stage of this project will see an investment of \$1 billion to generate up to 225 billion litres in water savings. These savings will be split equally between Melbourne, irrigators and stressed rivers. In exchange for a \$300 million investment, Melbourne water users will receive an allocation capped at 75 billion litres. Irrigators and the environment will also benefit by each receiving up to 75 billion litres. Irrigators will have their share added to their existing entitlements, and the environment will have its own entitlement.

This project will turn around the current situation where the food bowl is losing up to 900 billion litres of water through leaks, evaporation and inefficiencies. A billion dollars will be spent on the first stage. The government's share is \$600 million. As I said, Melbourne Water is contributing \$300 million and \$100 million will come from Goulburn–Murray Water. Melbourne's share of 75 billion litres, which is to be piped from the Goulburn River near Yea to the Sugarloaf Reservoir near Yarra Glen along the Melba Highway, will again provide water that is currently not being used and will certainly provide greater water security. Combined with the desalination plant, this project will boost Melbourne's supplies by 50 per cent.

The water grid will connect previously unconnected systems, increasing the reliability of supply and enabling us to move water to where it is most needed. In addition to the goldfields super-pipe and the Wimmera–Mallee pipeline, new projects will add an extra 250 kilometres of pipes to the water grid. Melbourne will be connected to Geelong, and Geelong will be able to rely on Melbourne's supplies, supplemented by desalination, for its future growth, providing Geelong with security of water. Work is now underway on each of these projects. The government wants these additional water supplies to be available as soon as possible. The 250 kilometres of piping includes

the Sugarloaf pipeline, the Geelong–Melbourne pipeline, the Hamilton–Grampians pipeline, and the pipeline connecting the desalination plant.

Mr Hall suggested that whilst we need water we do not need it tomorrow and that our water needs will be greatest in a few years. A time line that shows when these projects will be delivering water is part of this comprehensive plan. The food bowl modernisation project will see the first new water delivered to Melbourne in 2010.

Ms Lovell — How do you make new water?

Ms PULFORD — Ms Lovell should have been listening. The desalination plant is expected to begin delivering water to Melbourne by late 2011. These projects have commenced, and delaying their progress can only set back those time lines. By Mr Hall's own admission, our greatest water needs will occur in a few years, and these projects are designed to meet those needs in a timely fashion.

Great water savings have been achieved by increased conservation and efficiency efforts. The daily average per capita water use by Melbourne households in 2006–07 was 303 litres per person per day, which represents levels not seen since the 1940s. To put that into perspective, Melbourne residents have reduced their consumption per capita by over 28 per cent compared to the averages in the 1990s, when the average was 423 litres per day.

There are many more things I could say. The government's plan to secure our water supplies is comprehensive. It has set in place a time line. The Premier and the Minister for Water have made a significant announcement today which will provide, in addition to water security, a great deal of employment in the area around the desalination plant. To conclude, we are very proud of our achievements. We do not agree with the proposal that these important plans be suspended. We believe it is a really pressing thing to meet our water needs, and I urge members to support the amendment standing in my name. The amendments prepared and circulated at the 11th hour by the Liberal Party are not acceptable. I commend to the house the amendment in my name, and I certainly question the motives of those who oppose it.

Mr BARBER (Northern Metropolitan) — The Greens wholeheartedly support The Nationals motion as it currently stands. It is not as if The Nationals went out of their way to emphasise policy similarities between themselves and the Greens during the last

election, but we are starting to find some now, aren't we?

Mr Leane — Is that another unholy alliance?

Mr BARBER — You will have to get another website going.

Unfortunately, to get to vote for The Nationals motion I have had to sit here for a couple of hours, listening to Labor members and the Liberals squabbling like an old married couple, even though we know that at the end of the day they will agree on just about absolutely everything and that they will be on one side of the room and the Greens and The Nationals will be on the other.

Mrs Peulich — Not like an old married couple.

Mr BARBER — Very much indeed like an old married couple.

Mrs Peulich — No way. I would rather be a widow for life.

Mr BARBER — What I want to know is what happened to water conservation in all these plans? The government did have a document, the *Water Supply-Demand Strategy for Melbourne 2006–2055*, a draft report which explained in great detail a set of plans for to securing Melbourne's water future, with the majority of those measures coming from water conservation and the remainder coming from small augmentations to supply.

The document itself talks about where Melbourne's water is used: about 60 per cent in the home, about 30 per cent in businesses and other places that are not households and about 7 per cent of through leakage from pipes, which is a significant volume. This is discussed in some detail in the introduction to the report, which also notes that for that residential usage there are about 1000 companies that use half the 30 per cent, and about 122 000 other enterprises or entities that collectively use the other half. That is where the demand is coming from.

Then there is the question of supply, and particularly the impact of climate change on supply. The report details a scenario where water yield will most likely fall by 8 per cent by 2020 and as much as 20 per cent by 2050. Notice that is water yield, not rainfall itself. In the scenario, rainfall decreases by less than that. However, the impacts of climate change, including high temperatures, more evaporation, more evapotranspiration from plants and overall dry soil leading to less run-off, mean that the impact on water

yield, the yield that would flow off into a storage, falls even faster.

So far as the direction in which growth in demand is likely to travel is concerned, based on the government's estimate — I am presuming this would include the growth in Melbourne's population, perhaps that anticipated by the Melbourne 2030 plan — it will continue to rise from about 450 billion litres a year now up to as much as 550 billion or 600 billion litres by 2050. With demand growing and supply falling those two fall by will cross in around about the year 2020, at which point you would expect Melbourne's water supply to become very unreliable. But fortunately this study — and it involved broad consultation and involved a considerable number of listed experts — contemplated what could be done about it.

I will describe briefly some of the measures those experts were proposing, although Mr Hall gave them very good coverage in his contribution. The first of those was to continue water conservation as it has been occurring in households — that is, to maintain existing water conservation savings. The report itself notes:

It is difficult to say exactly how or where Melburnians have achieved these savings —

savings of the past, that is —

but analysis of water use data over the past few years indicates that water use reductions have occurred throughout the year, with a greater reduction in summer months ...

This indicates Melburnians are adopting water efficient behaviours at home and at work throughout the year, through activities such as shorter showers and turning off taps and, in summer months, in the garden and open spaces. To achieve these savings the metropolitan water utilities spend around \$6 million per year on water conversation measures.

First of all I find it absolutely amazing that despite these programs having been in place for a very long time, the report at that point, looking at the baseline of what had been achieved, the authors said that it was very difficult to say exactly how it had been achieved. I would have thought that does not provide a particularly sturdy leaping-off point, to say, 'We have saved all this water. We think it might be to do with conservation. We think it might be restrictions, but we do not really know'. It has been costing us around \$6 million per year in programs largely funded by the utilities themselves.

I had a bit of a debate with the former water minister in the Public Accounts and Estimates Committee about this. It is my view that most of the savings have been achieved by water restrictions themselves rather than

great achievements in the area of efficiency and conservation. However, that just points out that those savings are still there to be made, and in some of these other measures the authors talk about that in detail.

The next issue that is looked at is saving water around the home. The report notes that within households about 30 per cent of the water is used in showers and about 14 per cent in washing machines. Those are the two single biggest uses. The authors then set themselves a target of having water-efficient shower heads in all Melbourne homes by 2055 and in 50 per cent of existing homes by 2020. That is based on data that about 40 per cent of households have them now. So why are they allowing themselves 11 years to achieve water-efficient showers heads in half of Melbourne's homes and until 2055 to achieve it in all homes?

It seems ridiculous, first of all, for a government to lay out a plan that says, 'This is what is going to happen by 2055'. That is like some government in the 1960s saying what would be happening now. You could well imagine that would have been quite laughable. But it is just the idea that it would take so long — the best part of 50 years — to implement water-efficient shower heads, when showers are the single biggest user of water in households.

I would be pretty confident that Melburnians are at a point now where if the water authorities said, 'The condition of supply is that you have a water-efficient shower head', nobody would bat an eyelid, and the mechanism for implementing that would be very simple. It could either be when you signed on with a new water retailer; it could be when you rented a house; it could be when you offered a house for rent; it could be when you sold a house. In very short order the government, through the water utilities, could roll out water-efficient shower heads to virtually every household.

This measure which proposes savings of 19 billion litres a year by 2020 and 38 billion litres by 2055 could be rolled out in a few years. We can only assume that those same savings would occur — that is, the 38 gegalitres could be achieved — within a few years. The report notes also that washing machines are large users and proposes again similar sorts of targets — 50 per cent in 2020 and 100 per cent by 2050. It notes the benefits to householders of this. It notes that householders would make considerable savings as a result of doing this. I would have thought that if a program were to be rolled out in short order, those savings would be to the benefit of all. It would not really matter who paid, given the benefits would be so high and given the costs of adding supply, which the

government is now talking about in terms of billions, are so great.

The next option looked at was to save water at work, or at least outside the household sector. This comes back to the fact that a third of water is used by the commercial and industrial sector. Around a third of that is used by the top 200 businesses, half is used by the top 1000 and there are another 122 000 small operations. This document makes a compelling case. It says that:

Current water efficiency programs in Melbourne and Sydney indicate that potentially some 9 billion litres of water could be saved under this program by 2055.

Why could it not be done within five years?

The next option looked at was to reduce leakage. I note that 7 per cent of all water consumption is simple leakage. After all the effort of capturing water, distributing it, making it potable, it then runs out into the dirt somewhere before it ever gets to a user. That is pretty stunning.

The authors of the report note that they could save an additional 2 billion litres a year at a cost of \$750 000 per year, which is an incredibly small amount given the amount of savings that they are talking about there. Again, why is that program not being rolled out as fast as possible, because the savings would be in the bank from the moment it was done? Those are the conservation and efficiency options that are talked about in the document. The authors note in the conclusions that they can do half the job of closing that gap — the gap between rising demand and falling supply. They can find 100 billion litres right there and can do it in amounts of mere millions rather than the billions that the government is now proposing to spend. It makes sense to accelerate all those options as fast as possible. They are the cheapest options. You save the water that can be saved there, and then you look at further options.

However, the report talks about some of the options that could be taken up on the supply side. It talks about increasing the use of local water sources — that is, water tanks, local water recycling and stormwater capture. Just to pick up on the earlier discussion about who does and does not own a water tank, it is correct that I do not own a water tank. However, I bought my house only a few months ago. I have been busy insulating my roof, buying green power, changing my shower head and draft stopping all the doors. It has been the middle of winter of course and my outdoor water consumption has been zero. I have a small veggie garden, which I keep alive using the water run out of

my washing machine, which is better than a water tank. It is actually recycling water and preventing it from entering into the sewerage system in the first place.

Silly old *Sunday Herald Sun*! We all got the survey. The answer was yes or no; there was nothing in between. I guess maybe that is the philosophy of life down there, but certainly I have been doing my bit. I have been out and measured up for the water tank, though, and my particular priority will be to get one that puts water into the toilet and laundry system, because that is again saving rainwater for potable water rather than merely capturing rainwater and using it in the garden. I would like to see everybody else with the means doing the same thing. In this particular case the report notes that local sources or local capture, if you like, of water across Melbourne is about 1 billion litres now, which is quite small in terms of the numbers we have been talking about, but it is believed it could easily achieve in the realm of 12 billion litres.

The next option is in terms of household use — that is, that houses be built efficiently. It is a shame that Mr Madden has just left the chamber. In terms of houses being built to efficiently use water, the thing that the government might have to do is sit down with the property council again and say, ‘How are we going to design these new regulations?’. Do you know what the recommendation is there? It is that the government continue its research. It is not that government has to do anything — in fact very clearly the government would not do anything — but at the time of this report these authors were obviously clear that government was not going to be doing anything, so they recommended that the government continue its research. We saw that research; it was the Wilkenfeld report. The planning minister has had it on his desk since the middle of last year, and to this day he has still has not acted on it and has not introduced new building regulations that would build in efficiency in water use or, for that matter, energy use from the day a house was built.

The other option they authors of the report looked at was of course investing in water efficiency opportunities out in irrigation areas, and here is the kicker:

The Victorian government does not support metropolitan water utilities entering the northern Victorian water trading market. While there are many billions of litres that could be saved through efficiencies in the irrigation districts of southern Victoria, most of these savings are not accessible by Melbourne.

They are not accessible without a dirty great big pipe that not so much turns the rivers inland but turns them uphill and pumps them up and over. I think any

Victorian heading to the last election would have understood from that and from other statements that the government had no intention of building another super-pipe or mega-pipe to take water from north of the Divide.

However, the report notes that in the Yarra and Tarago catchments, where there is some level of irrigation:

... it is estimated that up to 1.5 billion litres could be available from water efficiency gains. This would require a capital investment of around \$2.3 million —

not billion, million —

and an operating cost of around \$50 000 each year.

I would certainly encourage the government to do that in those areas and create more efficiency in irrigation within the Yarra and Tarago catchments.

There is no mention anywhere in this report — and I know why — of ceasing logging in Melbourne’s water catchments. Young forests, young eucalypts, suck up a lot of water. A hectare of old-growth forest provides enough water for 100 households. By ceasing logging and allowing those forests to grow old, they would be increasing water yield quite steadily and on a long-term basis, and they would be soaking up a lot of carbon as well.

The conclusion of this report overall is:

If all the short and medium-term actions are successfully implemented, Melbourne should not need to use alternative supplies for around 30 years. This provides us with sufficient time to further investigate alternative supplies and ensure that the most sustainable options are supported. However, we need to ensure that we are prepared for scenarios like severe climate change and, therefore, we need to continue to investigate the feasibility of these long-term options.

If the government had just stopped there and retained that policy and had adopted the findings of its own report, we would have been in quite a good position. I would also argue it could have moved much faster on many of these options and that it still should. But somewhere it actually all just went wrong after the last election. I do not know why. I do not know why the government lost confidence in its own direction, in its own reports, in the findings that are actually in here — that seem to be very technically and politically and economically feasible — but the government just waited until after the election and quietly changed its mind.

Now we are back into mega-project land again. I do not know what it is; I think it is something a bit like the guys who used to build the pyramids. As soon as they finished one, they had to quickly start another one to

soak up all the labour; otherwise they would have a riot on their hands. That seems to have been the main merit that government speakers have identified about this thing here today — that it will create jobs. So do a lot of things. So does sending plumbers around to every house in Melbourne and changing the shower heads. So does digging holes and filling them in again, for that matter.

Mrs Peulich — How about fixing the old dunny?

Mr BARBER — I am not going there.

Like with the pyramid builders, as soon as you finish one you have to start another one or you have a riot on your hands. In this case the riot would have been from merchant bankers, who fund these things. They get very toey if they do not see their future stream of bonuses coming down the line. This morning we had the government incredibly proudly rush in here to tell us, 'It is going to be a public-private partnership (PPP), folks', as if we would all jump up and cheer. I am sure they are cheering in the headquarters of various merchant bankers and major engineering firms. They are not cheering over in the plumbers union, where they would have got all those extra jobs fixing little old ladies' houses and shower heads and replacing toilets.

With a PPP the question becomes: who is bearing the risk? That is the whole purpose of a PPP. It is not a financing issue, because of course it is financially neutral whether we take an ongoing payment schedule onto our books or whether we take debt onto our books. The real purpose of a PPP is to allocate risk, and the risk here must be to do with, I am guessing, three things: construction risk, operating risk and the risk of water supply. I guess whoever runs this PPP is going to want a fairly ironclad guarantee that the government will take or pay for the water. Because as was said earlier, the government has so many large and cheap water conservation options that it could bring to bear at any time, at which point it might not need the water from desalination, that that would create quite a high degree of commercial risk for whoever is going to run this thing. What they are going to be seeking is a take-or-pay deal, which means the risk is now on us as the buyers of water that we might not need the water from the desalination plant, but we will have to pay for it anyway.

I am absolutely fascinated, and I am waiting with bated breath to work out what the deal is on this public-private partnership arrangement. I would also love to hear whether there is going to be an environment effects statement (EES) on the plant. It is a pity the Minister for Planning disappeared quickly from

the chamber before he could give me one of those grins that meant, 'I am just the planning minister, don't ask me'. It is clear that his guidelines, promulgated by this government, would require an EES process in this case. We have heard everything about this plant but working backwards. We heard where it is to be — shock, horror! — and we were told who is financing it. Somewhere along the line we are going to hear whether or not there is to be an environment effects assessment.

By the way, one of the requirements of those guidelines is for the proponent to examine alternatives. If you are putting up a proposal, you have to examine the alternatives, which are of course what I have been talking about for the last 20 minutes. Will the government or the proponent — or will the government force the proponent, if it is a private proponent, to do so — examine alternatives to the project, because they are here in this document. They add up to 100 billion litres and include positive impacts on the environment, unlike this proposal, and positive impacts in reducing CO₂. It is noted that the water utilities, as they currently operate, produce nearly half a million tonnes of CO₂ in their operations, which is significant in terms of Victoria's overall emissions of around 126 million tonnes.

For all those reasons, the Greens will support the very well-considered motion of The Nationals that puts conservation, efficiency and recycling at the top of the list and calls on the government to hold off on these expensive, polluting, unnecessary projects until such time as these better and cheaper options have been implemented.

Mrs PETROVICH (Northern Victoria) — As a current member of the Environment and Natural Resources Committee and as a representative of Northern Victoria Region, I would like to participate in a review. I would be happy to do the work required for this sort of inquiry but my only concern with that is I think the work should already have been done. There has been no community consultation on the north-south pipeline and no community consultation on a desalination plant. I do not think there has been much community consultation by this government on anything, in fact.

I actually have firsthand knowledge of the hardship and anxiety caused by drought, reduced water allocations, stage 4 water restrictions and nearly empty catchments. I know that communities are suffering both economically and socially because there has been long-term deprivation in these communities that has not been acknowledged. It is in country Victoria and it is happening today. These people have pulled their belts

in as tight as they can. The possibility of a north–south pipeline is just a crushing blow and probably the straw that breaks the camel’s back in many cases.

It is clear that the Brumby government has no long-term sustainable plan for Victoria’s water future. It has admitted that it thought it would rain. I have heard delegates from Melbourne Water admit this at a meeting in Yea. It had no idea that water shortages were so critical in Melbourne, and until April there was no plan for a solution to that. All of a sudden we have got a north–south pipeline which is to be the panacea and is to rescue Melbourne. After eight years in power this government is abrogating its responsibility to the community, when one of the most fundamental things that a government should be supplying is an adequate, potable water supply.

This government is now happy to take valuable water resources out of our irrigation district — that is, from Northern Victoria Region — and send it to flush down the loos of Melbourne, and thus trade our valuable food supplies for green lawns. In northern Victoria we are able to produce fantastic clean and green milk, meat, fibre, fruit and vegetables. As in any other business, these people have the right to receive a vital raw material, that being water, which, by the way, they have already paid for. Many of these people are down now to 10 per cent of their allocation. This is a vital component that is required to grow the products that their businesses produce.

I think we have become extraordinarily disconnected as a community from our rural friends, and there seems to be a lack of acknowledgement about where our food actually comes from. I cannot understand why we would not want to enjoy the clean green fabulous products that we can grow and enjoy in our own country and in northern Victoria.

The Brumby government has become so city-centric and isolated from the reality of our country culture and economy that it is prepared to burn these communities for city votes because of its own incompetence. The Liberal Party is clear in its position. We went to the last election with policies that supported desalination as an alternative source of water because we acknowledged that the metropolitan area has a diminishing water supply and a Labor state government which is still unprepared to introduce real water restrictions. We have got stage 3a water restrictions in metropolitan Melbourne now, and there is a clear potential for Melbourne to run out of water, but the penny has only just dropped.

I think that during the last state election Labor ridiculed the Liberal Party’s policy on desalination plants. But guess what? This government has now backflipped and in the absence of future planning has adopted another Liberal policy. We stand by our commitment to the whole of Victoria, country and city. We support a desalination plant, we support improved water infrastructure, we support collection of rainwater, we support collection and use of stormwater and we support a new-dams approach. What we do not support is a north–south pipeline. We do not support the devastation of agriculture in Victoria, and we do not support creating further divides between city and country.

Melbourne’s main source of water is the Thomson Dam. This catchment follows the same long-term catchment yield patterns as the Eildon Dam. Both dams will either be wet or dry together. This parallel catchment yield pattern threatens both the annual \$9 billion agricultural production in the Goulburn Valley — this might interest Minister Theophanous — and Melbourne’s water security, when they are both dependent on these catchments.

Melbourne is in danger of running out of water. If the current climatic conditions continue, Melbourne could run out of water as early as late 2008. The north–south pipeline will not be constructed by that time, and when it is completed it will only provide a small proportion of Melbourne’s needs as there is a daily limit to how much water can be pumped over the 75 kilometres of mountain ranges in one day. The 2012 planned construction of a 150-gigalitre desalination plant is urgent, and, based on the Perth experience, it could in theory be constructed within a single year.

The 2012 time frame for the construction places its delivery of water beyond the next election cycle. I have to tell the house that the communities of northern Victoria are very concerned about this. They believe there will be more water coming out of northern Victoria and the desalination plant will never happen.

As we prepare for another long, hot, dry summer, country Victoria is bracing itself for another year of drought conditions and water restrictions, yet the Brumby government refuses to put Melbourne on stage 4 water restrictions and make the sensible move to plug the north–south pipeline. This is despite an ongoing wave of protest which is growing in momentum every day. We heard from Ms Lovell earlier that there are 15 000 signatures on petitions to this government, making desperate pleas to try to make the government aware of the opposition to this pipeline.

Yet we still have the current Premier saying that he has community consent to the plan.

Last week I was in Yea with the Leader of the Opposition, talking to those who will be most affected by the pipeline. This is one of the many visits my colleagues and I have made to this region. I note that the Minister for Environment and Climate Change was there later that week. Unfortunately I fear he did not understand or listen to what the people were saying. Quite rightly, these people want to know why Melbourne is going to take away their water. They want to know why no-one from the government is listening to country Victoria. Their report to me is that this arrogance is breathtaking.

There are many solutions the government could adopt rather than stealing water from country Victoria. It is another case of robbing Peter to pay Paul. On this theme I was disappointed but not surprised when I read a recent report based on research by the University of Sydney Centre for Integrated Sustainability Analysis, which shows that Melbourne's overall water use is 5 per cent more than the state's per capita average.

Three big water-guzzling areas happen to be in Melbourne: in Stonnington, Bayside and Port Phillip. The average use per person is about 950 000 litres per year compared to the state average of 750 000 litres a year — that is, 200 000 litres per person above the state average. If each of the residents in those areas alone could reduce their water consumption to the state average, there would be a massive saving of 53 747 million litres, or two-thirds of the proposed 75 gigalitres that is to come from the pipeline heading down from the north.

I might point out that in areas where the water is being stolen — the Goulburn, Murrindindi and Mitchell shires — the average consumption is less than 640 000 litres. That is 100 000 litres per year less than the state's average and 200 000 litres per year less than metropolitan Melbourne's average. I urge the Premier to save taxpayers \$750 million on the north-south pipeline and ask his neighbours to come to the water-saving party or leave our drought-ravaged country alone.

Surely it is more important to have Melbourne householders encouraged to become more water sustainable, which is a catchcry that we hear from the government all the time. We are all talking about sustainability, but we have seen how many people have water tanks, how many people are doing the right thing, and the water consumption in Melbourne is just not reducing enough. Surely it is more important to have

Melbourne householders encouraged to become more water sustainable beyond restrictions rather than irrigators, who supply our food and contribute so much to the state's economic viability, being unable to continue with their practices.

The government should be ashamed of itself in demonstrating an appalling lack of leadership and vision by putting rural Victoria against Melbourne on an issue as critical as water. Let us find solutions that benefit all of us in the long term, and let us begin by funding a sustainable water infrastructure in urban centres. I encourage members to support this motion today.

Any extra water used above normal daily allocations should be purchased at a considerable premium. It is not a desirable circumstance for anyone. We should be looking more towards water tanks, recycling, split plumbing systems and no more potable water for washing or flushing loos, particularly with the water that is coming out of northern Victoria. It is a terrible waste to use that potable water, which is a valuable resource, for flushing loos instead of growing our fruit and vegetables.

Mr SCHEFFER (Eastern Victoria) — I support the first part of Mr Hall's motion to refer a range of water issues to the Environment and Natural Resources Committee. Water policy is complex, and it is critical that the Parliament gives these issues as much attention as possible. However, I do not support the second part of the motion that calls on the Victorian government to suspend plans to take water from the Goulburn catchment and to construct the proposed desalination plant at Wonthaggi until such time as the committee has reported — that is, at the end of 2008.

The government has no intention of suspending either project. Today the Premier, as we have heard, announced the next step in progressing the desalination plant in Bass Coast. The plant will involve a public-private partnership and will deliver over 3000 jobs during the construction phase and some 150 jobs in the longer term. The implication of Mr Hall's motion is that too little is being done to conserve water or improve water efficiency in Melbourne, but in my view nothing could be further from the truth. Let us look at the facts about water conservation in Melbourne.

I want to say at the outset that Victoria is one state, and its resources, including water, are collectively owned. There is no benefit in exploiting the real concerns that all Victorians have over this prolonged drought. The government is working towards ensuring an equitable

distribution of our water resources. The fact is that Melbourne's residents on a per capita basis save some 28 per cent on its water use compared to the 1990s — that is, 100 billion litres per year or 423 litres per person a day, down to 331 litres per person a day.

Melbourne has reduced 20 per cent of its system leaks since 1999–2000, or 60.6 gigalitres, down to 48.2 gigalitres. This makes Melbourne's leak rate one of the best in the world. The government also has a \$125 million program that aims to save more than 1 billion litres through optimising cooling tower maintenance and operating processes.

Mr Drum — That is 1 gigalitre.

Mr SCHEFFER — Yes, 1 gigalitre. The \$160 million upgrade of the western treatment plant at Werribee is helping to lift recycling in Melbourne to 14 per cent, on track to recycle 20 per cent of Melbourne's water supply by 2010. But the state's major recycling project is the \$300 million upgrade of Melbourne's eastern treatment plant. That will provide 100 billion litres of tertiary-treated recycled water annually from 2012, and this water will be used for agriculture, industry, residential developments and environmental flows.

In relation to making savings through collecting stormwater, the current budget allocates \$10 million for investment in demonstration, stormwater and urban recycling projects that will generate water savings of more than 2 gigalitres per year. Groundwater supplies about 13 per cent of Victoria's water needs, and it is well known that groundwater levels are reducing and that great care needs to be taken not to over-exploit this water source.

All of the matters that Mr Hall has raised in his motion are components of the government's water strategy, but this is not to say that the Environment and Natural Resources Committee should not further consider these matters. Members will remember that the government released a green paper on water reform back in 2003 and that this contains some 80 proposals for the community to consider.

A broadly based community consultation process followed. There were 40 separate stakeholder briefings and 21 public forums in which more than 1300 people participated. Some 670 submissions were received from individuals and from community, environmental and industry groups. This broad and thorough consultation process resulted in *Our Water Our Future*, and it is this public and community referencing that gives the Victorian government's water strategy its authority. It is

not the case, as Mr Hall said, that the government's water plan has been imposed with an authority that is not informed by community consultation and participation.

Our Water Our Future sets out more than 100 initiatives for water conservation for households, industry, agriculture, recreation and tourism, the environment and water pricing, and it takes into account projected population increases and the impact of climate change. The aim is to make sure that there is enough water for the next 50 years. *Our Water Our Future* sets out plans to repair rivers and groundwater systems and the right of the environment to a water allocation, and that has been legislated for. This is a critical measure because, after all, the rivers and the groundwater systems are the sources of fresh water. Under *Our Water Our Future* water is priced to encourage more conservative use. New water allocation and trading systems will help to secure water for farming. Very importantly, *Our Water Our Future* sets out plans amongst its 100 new initiatives to permanently save water in towns and cities through recycling and water-saving strategies.

The assumption in the motion that somehow Victoria's water strategy has missed vital strategies or components is wrong. Conservation and efficiency, stormwater collection, groundwater and desalination are included, and implementation is well under way. Earlier this year the government released the next stage of its water plan. It consists of five components: the desalination plant, modernising the food bowl, expanding the water grid, increasing recycling and supporting new and existing water conservation programs. Mr Hall made it look as though these measures have been prioritised from one to five, but they are equal priorities. You can walk and chew gum, and we can do all these things at the same time, which is what is needed.

Today the Premier announced that the desalination plant would be delivered as a public-private partnership. The government is progressing the project as speedily as possible, because it is critical that Melbourne and towns in the Bass Coast region have ongoing water security. The desalination plant has obvious benefits. It creates new water and is not dependent upon rainfall. It is planned to provide water for Melbourne and Geelong, as well as towns in the Western Port and the South Gippsland regions.

The location of the plant near Wonthaggi was determined after the government accepted the recommendation of the seawater desalination feasibility study that was prepared by Melbourne Water in conjunction with expert consultants. The feasibility study addressed a range of issues relating to the

economic, environmental, technical and social aspects of a desalination plant for Melbourne. The study looked at energy consumption and potential greenhouse impacts, capacity issues, lifecycle costs and issues relating to the siting of the plant. In relation to the location of the plant, the feasibility study also examined the potential environmental impact of brine dispersal and the seawater intake, social and amenity issues and the proximity of the plant to existing water supply networks.

The feasibility study examined nine possible sites and narrowed these down to four: the Surf Coast, Port Phillip Bay, Western Port and Bass Coast. Bass Coast was the preferred location. It was found that it would be best able to deliver 200 gigalitres per year in the long term and that it could be built in the shortest time because the risk of impact on marine life would be less there than at two of the alternatives — east of Port Phillip Bay and west of Western Port — because of the quality of the source water.

The plant will be able to supply water to the Melbourne water supply system via an 85-kilometre pipeline to the Cardinia Reservoir and then on to the Silvan Reservoir. The \$3.1 billion cost includes the seawater inflow and outflow tunnels and the pipe connecting the plant to the Melbourne system. It will be powered by renewable energy and the extra cost of this is factored into the estimated ongoing operating cost of \$130 million per year. The feasibility study says that the desalination plant will be able to provide water to Phillip Island and nearby towns, including Wonthaggi, as well as Melbourne and Geelong. The Wonthaggi location is estimated to have the least impact on the marine ecology and can provide, as I said, the purest seawater.

All this sounds well and good, but I am very aware that there is considerable opposition to the plant amongst some of the residents of the Shire of Bass Coast. They have made their views known to me and, I am sure, to other members. The community steering committee on behalf of the approximately 500 people who attended community meetings in Kilcunda and Wonthaggi wrote to the former Premier, Steve Bracks, expressing local concerns. I have also met with the Bass Coast mayor and chief executive officer, with the former Minister for Water, John Thwaites, and with representatives of local environment groups to hear their concerns.

It is important to recognise that the Premier, John Brumby, has met with the Bass Coast Shire Council, and I understand that the Minister for Water plans to meet with the council later this month. Local concerns relate to the energy intensiveness of the plant, the potential risks to marine park environments, the

potential risks to Aboriginal heritage, and conflicts between state government and local government relating to marine protection, the Victorian coastal strategy, the Victorian coastal spaces study and the Bass Coast strategic coastal framework.

There are also local concerns relating to the view inasmuch as the proposed siting of the plant will have potential detrimental effects on a pristine coastal space and view lines and will destroy the environmental values that attract tourists to the area. The local groups say that rather than building a desalination plant to provide more tap-water, the government should be reducing our reliance on fossil fuels and that we should aim to reduce carbon emissions by 80 per cent by 2050. They see the siting of the desalination plant on the Bass Coast as inappropriate and fear that the inflow and outflow from the plant will have a negative impact on marine life. With great respect to these views, I am not persuaded that, given the severity of the drought, we have an option not to build a desalination plant capable of providing additional water.

Every day evidence is mounting that south-eastern Australia is headed for a much drier climate than anyone expected 10 years ago or even 5 years ago. There is almost daily evidence that the global temperature is increasing and that weather patterns are altering in profound and long-term ways. Our response must consist of both long-term and short-term strategies. It is true that the issues relating to greenhouse gas emissions and fossil fuels need to be dealt with urgently, but in the meantime, in the short-term the government has a responsibility to ensure that there is water for the millions of people who live in Melbourne as well as for the needs of people in rural areas. The consequences of failing to deliver the desalination plant and the modernising of the food bowl project would be disastrous and, in my view, a dereliction of duty.

I cannot support the second part of Mr Hall's motion — that is, that these two projects be suspended pending the report of the Environment and Natural Resources Committee. I support the amendment moved by Jaala Pulford, because it enables the government to proceed with these important water infrastructure projects that will benefit all Victorians in city and regional areas by providing a secure water supply into the future.

Mr DRUM (Northern Victoria) — It is always interesting to follow Mr Scheffer because he always puts together a very well-constructed speech and then reads it word for word. I always wish that Mr Scheffer could learn his text. He would then be able to deliver it to the Parliament in the manner in which it is supposed

to be delivered. It is only when you truly learn your — —

The PRESIDENT — Order! If Mr Drum has a point of order to raise about Mr Scheffer's contribution he can do it at any time. There is no restriction on his doing that, particularly during his contribution. If he wants to start his contribution, I am more than happy to hear it.

Mr DRUM — Thank you, President. I would never have called a point of order on a colleague of mine. I just thought I would like to comment along the way.

Honourable members interjecting.

Mr DRUM — I am looking forward to your contribution, Ms Darveniza.

Ms Darveniza — Don't you worry, Mr Drum, it is coming too.

Mr DRUM — You are representing Shepparton in a manner that is ripping the heart out of its future.

The way Mr Hall has constructed this notice of motion is interesting. He has used the government's own data to effectively show the flaws in the structure of the government's plans. Mr Hall has dealt with all of the Our Water Our Future project that was put together in 2006. He has dealt with the augmentation program put together by the Department of Sustainability and Environment. There were many references to Our Water Our Future and the Sinclair Knight Merz proposal which was put together for the government and was about catching stormwater and water recycling feasibility. Mr Hall has gone through all of the government's own papers to highlight deficiencies in this government's current water plans. Every time this government makes a move in relation to water, it finds itself hopelessly out of its depth.

Only last year the member for Bendigo East in the other place, Jacinta Allan, who is the Minister for Regional and Rural Development; the member for Bendigo West in the other place, Bob Cameron, who is the Minister for Police and Emergency Services; and the then water minister, John Thwaites, came to Bendigo. They announced a pipeline project which they said was going to be the most significant water development for Bendigo since Lake Eppalock was built. They said they would put in place a \$20 million plan to take a pipeline 8.5 kilometres from the Waranga channel to the Rochester weir. They effectively jumped up and down about this project being the most significant since Lake Eppalock was built. But they announced the wrong project, because within a month they realised they may

have got it wrong. From that day forward we have seen this government blunder from one disaster to another trying to dig itself out of a hole, because it refuses to tackle the problems to create the outcomes that we need in this state.

A few months later the government realised it had to ditch that plan in favour of trying another plan, which was the Colbinabbin pipeline. Although this is a project we have wholeheartedly supported, Mr Cameron has continually said we do not support it. That is an example of the deceit we sometimes hear in northern Victoria when it comes to water issues, because this government has again refused to act on the suggestions of many opposition members.

Mr Hall was thorough when he listed the water needs of Melbourne. First he listed the average inflows into Melbourne storages. Then he broke down the figures relating to the use of water, recycled water, groundwater and the amount of water from rainwater and stormwater projects. He came up with a figure of 200 gegalitres as the shortfall between available water and metropolitan Melbourne's projected water use for 2050. He then set about building a case for how we can create the extra 200 gegalitres of water that will be needed for Melbourne's long-term future. As I said, he put together a well constructed argument.

It is a fact that the proposal for the Wonthaggi desalination plant has not been very well thought out. The government again went to the election ridiculing the Liberal water desalination plan. It went to the election saying it would not take water away from the north of the Great Dividing Range. Its two major election planks were broken very quickly once it returned to government.

About a month ago I watched an ABC television program about the Wonthaggi desalination process. It was a bit of a comedy skit. The program said that you would normally consult before you made any decision about an issue. You would put your plans to the people, garner their views, take their views, go away and then make a decision about the issue. Then you would come back and announce that decision. On the program the then Premier, Mr Bracks, was asked, 'Have you done this? Have you acted correctly? Have you done things in the right manner? Have you got the pecking order right? You have made an announcement'. In this instance, the government simply went out to the community and made an announcement and then wanted to consult.

That is the way this government works on so many of its projects. It makes announcements on the run and

then suddenly tries to put in place a consultation process and an EES (environment effects statement) process. The government tries to work out the impacts and makes a cost-benefit analysis. Then it tries to work out the environmental and economic impacts and whether the community thinks it is a good idea, but it does all of this only after it has made an announcement. The whole process is totally back to front. It is certainly a sign of an arrogant government. It effectively makes a mockery of its credo that it is here to govern for everybody.

The project manager who has been given the responsibility of building the Wonthaggi desalination plant has effectively slammed the government's policy in this area. He has said that the government should be making greater use of its recycled water in the first instance rather than just moving straight into a desalination process, yet that is what this government is doing. Over 300 gigalitres of water is wasted every year in this state. Just around the bay the Werribee treatment plant and the eastern treatment plant tip over 350 000 megalitres of water either into the bay at Werribee or into the ocean at Gunnamatta, only 50 000 megalitres of which is used on market gardens around Werribee. This is a pitifully small amount of water that we are treating and using.

I urge all members of Parliament to make the trip to Gunnamatta to have a look at the quality of the outfall effluent that is being tipped into the ocean. It is quite disgusting when you look at it. You wonder how on earth the ocean does its job of breaking up the effluent and taking it away. A similar scene takes place at Werribee, and it makes you wonder how on earth the effluent in the water inside Port Phillip Bay ever dissipates and breaks down and how on earth it is not causing greater environmental damage than it already is.

Mr Hall's motion goes on to quote a range of potential alternatives that we should be looking at as opposed to just these two quick fixes that the government has come up with. He has spoken about the potential for greater stormwater harvesting. Certainly from the government's own documents he has been able to ascertain the potential and the opportunities that exist within Victoria but also some of the other opportunities that are simply not being taken up. We have an enormous amount of opportunity out there to capture stormwater. The argument surrounding stormwater is one where we simply need to look at the future and listen to those people who believe in climate change. According to those people who are true believers we are looking forward to a future with limited and diminished normal rainfall. If that is true, then we are

going to have to look very closely at changing the way we collect our water.

For instance, if you go back through the history of Bendigo, the miners hit the Bendigo goldfields and they put some small dams around the area where they could. That was a small amount of water in a smallish catchment, and it did the diggers on the goldfields for a small amount of time. It was in the late 1800s that they realised they were going to run out of water, and the only option available for an increasing population was to build some more dams in other locations around the state and work out how they could get that water by gravity to the goldfields. They did that by building dams in the Malmsbury and Castlemaine areas and in the Lauriston region as well. Those dams have now become the mainstay of the Bendigo supply.

The Bendigo forefathers worked out that they could gravity feed that water 70-odd kilometres around the ranges, past Castlemaine — servicing Castlemaine as well — and then bring the water into the goldfields of the diggers around the Bendigo region. That was something they did back in the late 1800s, and that was sufficient for Bendigo as it grew until the 1960s, when the authorities realised they had to build Lake Eppalock for irrigation purposes. Then in the late 1960s they actually increased the capacity of Lake Eppalock to service Bendigo.

The history of Bendigo demonstrates that there has been a continual need to build additional water storages to deal with the ever-increasing population. But now we have a Labor government that has as the cornerstone of its policies no new dams. Because Bendigo is not located on a major river and because it is not located on top of a mountain range it has all of its water spread out in different directions all around the topography, and at the moment Bendigo has all of its rainwater actually going down one path and down one channel. The Bendigo Creek is a viable option to be diverted and dammed to create an ever-refilling stormwater catchment capacity and facility that would in fact be able to be emptied into Lake Eppalock on a continual basis. They would have the ability there to capture at least 10 gigalitres of water just in that region.

You can take that philosophy and extrapolate it out. Mr Hall, again, talked about what could possibly happen with stormwater in the Melbourne region. Any members of Parliament who have been out to Wyndham Vale and Werribee and who have seen the way Hoppers Crossing has grown recently would know it is an absolute sea of tiled roofs, tin roofs, concrete roads, concrete gullies and concrete culverts that would have the ability, if wanted, to catch enormous amounts

of stormwater. There is a single drain, apart from the Werribee River, which carries a large amount of the water some 10 kilometres to the Werribee South beach.

There is also what is called, I think, the D2 drain, which effectively also carries enormous amounts of rainwater straight out to Werribee South, and again that water is flushed into the bay and effectively added to the sea water of the bay. There are enormous opportunities there. We simply need a government that is prepared to think outside the square, look at these possibilities and actually look for the potential to capture that stormwater and that rainwater, treat it — because it is going to need to be treated — and have that additional water for usage.

During Mr Hall's contribution we had the Treasurer in his place over there continually perpetuating this supposed myth that it is okay for Adelaide to take water out of the system. He kept repeating it, but it is an untruth that The Nationals support Adelaide's taking additional water out of the Murray River, because that is not happening. Adelaide has committed to a desalination plant. Adelaide has already exhausted its allocations that it is taking out of the Murray River. Adelaide, for instance, is miles ahead of Melbourne in relation to using its stormwater. We were recently over there, and we witnessed firsthand the ability of the shires and local governments within the western suburbs of Adelaide to get together to create wetland projects.

They are actually enabling all the run-off from these respective areas to run into a whole series of wetlands, where they are then able to filter the water naturally, take that water and pump it down and inject it into the natural aquifers of the region, where it then becomes further filtered. Then at a later stage — perhaps six months later — when they need the water, they are able to take that water back out again, shandy it down with the recycled water that comes out of the Bolivar plant, and then take that water and pump it into Mawsons Lakes, which is a new suburb that has effectively been operating under the third-pipe system.

This is the sort of technology that the Victorian Labor government can just dream about. It is a combination of using recycled water for domestic purposes and capturing stormwater for domestic purposes, shandy it down and bringing in a third-pipe system for brand new estates and brand new suburbs that are being built and drought proofed in a manner that this government in Victoria is only dreaming about. One trip to Adelaide to look at two or three of these projects will simply show you how it is done and how it should be done.

Not only are they doing good things in Adelaide with this recycled water and also with the capturing of the stormwater and the replenishment of the natural aquifers, but they are also miles ahead when it comes to using the recycled water out of Adelaide. The Bolivar plant is actually recycling its water and pumping it down to the orchardists and the market gardeners in the Virginia area. They are using nearly all of their water down there for high potential, high gains and high returns on that water.

At the other end of the city of Adelaide at Christies Beach they are recycling the water there, and they are piping water out 18 kilometres to the start of McLaren Vale. Once the water gets there, it is used by a cooperative of the local winegrowers. That water is effectively also being put to high-return use. Again, we have a situation where industries that were previously relying on potable water in the Adelaide region and on the outskirts of Adelaide have been taken off that potable system and have been growing high-return produce using recycled water over a few years now. Every way you look at it, for the Treasurer to sit over there showing his ignorance about all things to do with water effectively shows that the way this government is using the water that is available here in Melbourne is grossly inadequate when compared to what other cities around Australia are doing.

One of the most disturbing aspects of what the government is doing at the moment is the north-south pipeline. This is another one of the government's projects where consultation comes last and decision making comes first. The Premier of Victoria is often questioned at public meetings about whether or not his government has a mandate to actually put this project in place, given the fact that it went to the election last year saying that it would never take water away from north of the Great Dividing Range and pump it over the Divide to Melbourne and that that was simply not on its agenda. That is how it went to the election. It won the election and went straight out and made this decision. Not only did it do that, but the consultation process started with the former Premier being questioned at a meeting in Shepparton about whether he had a mandate to do it, and his reply was, 'I am the Premier, and I am going to do this and that is all there is to it'. I think that is something we must be very aware of.

As we understand it, the north-south pipeline is supposedly going to involve this government investing \$1 billion in the infrastructure improvements, but it is totally uncertain as to how many of those savings are there. There is supposed to be 225 gigalitres in the system, but it is understood there could be as little as 40 or 50 gigalitres. Under the Bracks government the

former Minister for Agriculture in the other place, Mr Cameron, was questioned as to why the government was not using savings for the Colbinabbin–Eppalock pipeline, and Mr Cameron’s only answer was, ‘The savings are not there. The savings that exist within the Goulburn system are already committed to Living Murray projects. The savings you are talking about are not there’. We were talking about some 25 to 30 gigalitres of savings. The current minister is saying that there are over 220 gigalitres available in this area. It is quite amazing the way ministers’ opinions have changed about the various projects.

The whole idea of improving infrastructure in country Victoria with strings attached is just disgraceful. It is as if we were to go to the government and say, ‘We need a new school’ and the government were to say, ‘We will build you a new school, provided that one-third of the students you teach come out of Melbourne’. Or it is like the government saying, ‘We will build you a new hospital and operating theatre, provided one-third of the people who get operated on in that hospital are Melburnians’. In response to any infrastructure improvement in our region, the government says, ‘We will only do it for you if there is going to be some additional benefit to Melburnians’. What we are calling out and screaming for in regional Victoria is for this government to fix up ageing water and irrigation infrastructure just because it is the right thing to do, because it would save many people’s businesses and create wealth and because it would be fixing up something that has been neglected for a number of years. An amount of \$1.8 billion has been taken out of water authorities in this state, yet we still have this ageing water and irrigation infrastructure, which has been run into a state of disrepair.

We recently went to an irrigators meeting in Kyabram where Mr John Corboy, one of the proponents of the north–south pipeline, got up and gave a spiel, along with two other people who were opposed to the plan — and full credit to Mr Corboy for having the guts to stand up there in front of 400-odd irrigators and tell the people why he thought this government plan was a good idea. He maintained there was widespread support for this plan, but when it came to the end of the night and people had the opportunity to vote, of the 400-odd people in the room, 3 people were supportive of this plan. This government is moving ahead with a plan to take water out of regional Victoria without any consultation, without any environment effects statement, with no care for the environment and with no care for the potential growth and productivity that it is taking out of northern Victoria. This government is moving ahead with this plan without any concern for regional Victoria. It makes an absolute mockery of the

government’s continual claim that it is governing for all of Victoria.

In polls in the region some 98 per cent of people have effectively expressed their opposition to this plan. It does not matter how heavy-handed the Premier wants to be on this issue; he is still not going to be able to walk away from the fact that he is doing the wrong thing by country Victoria to appease the people of Melbourne. It is lazy, it is dumb and there are better alternatives. As Mr Hall’s motion indicates, there are many other alternatives available to Melbourne for getting its water which will never put Melbourne at risk of running out of water. We need the Environment and Natural Resources Committee to have this inquiry, and we need its members to report back as soon as they can to the government. That hopefully will then shed some light and bring some common sense to this government, showing it that there are better alternatives for Melbourne’s water supply than taking water out of the Goulburn Valley.

Mr KAVANAGH (Western Victoria) — I move:

In paragraph (6), omit all words and expressions after ‘appropriate’.

It seems to me that this omission is a cost of having the inquiry, which would be a very desirable thing. We need an inquiry, and deleting the last part of the motion is a cost of achieving it.

The two water schemes referred to in the text I propose to delete are in my opinion not the ideal solution to Victoria’s water crisis. For example, as I have explained to the house before, in my electorate of Western Victoria Region a former water minister, Mr Glyn Jenkins, is promoting the construction of a weir in the Otways, which would have the effect of securing Geelong’s water supply. This is something the government has done nothing about and it seems to me to be a much better solution to Geelong’s water supply problems than those referred to in the motion. Earlier today Mr Hall also came up with a long list of very good ideas that seem possibly superior to those referred to in the last part of the motion.

The reference to 31 December 2008 would remain in the motion. It would be my hope that the Environment and Natural Resources Committee, to which these terms of reference would be referred, would take on this task with urgency and that its recommendations would be made far earlier than 31 December 2008. I would also like to add that paragraph (6) of the motion — the first part of that paragraph, which will remain — refers to ‘any other optional water source which appears to the committee to be appropriate’. It is

my hope and expectation that the committee would consider within that the question of new dams as a partial solution to Victoria's water crisis.

Sitting suspended 6:26 p.m. until 8.02 p.m.

Mr LEANE (Eastern Metropolitan) — I am pleased to be part of this debate. I will try to keep it short. I have to say in regard to the first part of Mr Hall's motion that it is a good idea to refer these issues to the parliamentary Environment and Natural Resources Committee. I think the references of the things to look into are very good. I also thought it was a good thing when in July Philip Davis moved that there be a reference to the Road Safety Committee. It is very good that we can move topical references to these committees and look at their outcomes and apply them where appropriate.

I just want to touch on a few of things and go through a couple of points in Mr Hall's motion regarding increased conservation and efficiency. In regard to the collection of stormwater, I had an interesting visit to Monash University, where the scientists have developed certain types of native plants that can do the work of a biofilter. The importance of a biofilter for stormwater is that especially if you are catching stormwater off roads, car parks or something like that, the water does carry heavy metals, and these plants that have been tested have proven that the best native plants can actually draw out the heavy metals. The Monash University scientists have devised a biofilter where the water will go under the plants and just get caught at the bottom with agricultural pipes, and by the time it comes out the heavy metals have been withdrawn.

If this reference does go to the committee, I would be very much recommending that the committee visit Monash University and see the results of that work and consider where it can be applied. I had a discussion with representatives of one of the primary schools in my electorate. The Yarra Road Primary School was looking at catching its stormwater, which involved catching the water off the roof and harvesting it but also collecting the water from the footpath, the car park and the quadrangle. It actually examined this process at Monash University, with a view to seeing if it could adopt it at a point where it reaches the school oval, which is the area it wanted to keep alive. The school is also considering synthetic turf.

When it comes to water and these sorts of issues, I believe there is not just one answer. Members can see from the debate today with contributions from members from all parties that a number of initiatives that have been put forward can be utilised very well, and our

government is looking into them and applying some of them already. But I think this reference will be a good one.

The reuse of treated wastewater is obviously well and truly on our government's radar. There is a proposal to upgrade the eastern treatment plant at Carrum. Also, a bit of work has been done — and I have had a number of discussions with Yarra Valley Water, the water ministry and a number of councils in the area — on the possibility of upgrading a treatment plant in the electorate that I represent. Currently it pumps B-class water into Brushy Creek, and serious consideration is being given to upgrading that work so that it will produce A-class water that can be transported by tankers and used by the local council to water some football grounds and wet down roads in the area.

It is a big push, and I am sure the local members, no matter which political party they belong to, would be supportive of that, especially considering the social impact on our communities if local sports cannot be played going into the summer. That is an initiative that is being looked at as well. I will be pushing it, and if I need to call on local members to support me on that I am sure they will gladly do so. Perhaps they will get on the front of the local paper and slag me if it does not come off, but that is the risk you take when you have a go!

I would just like to touch on other optional water sources in the proposed reference, which I think are excellent. There is a commitment from the government to a \$1.25 million program to save 1 billion litres by optimising cooling tower water. A lot of the high-rise buildings we have in the city are using the cooling tower technology. That water gets pumped up to the top of the high-rise building and gets used for the cooling tower; and once that water is used for that purpose it gets pumped down the drain. That water is very safe, more than safe, and can be used for flushing sewerage systems; it is very dosed, as members would know — and the sewerage systems, or the flushing systems, you have in high-rise buildings are gravity fed as well. So you have two tanks on top of a high-rise buildings, and it would be just a matter of connecting the two tanks together with one pipe, obviously making sure there were some checks and balances on the flushing system. I think that is a great initiative, and that is actually happening.

Another thing that is happening is something I have mentioned before in Parliament, but I would like to touch on it again. The Southern Cross building in Exhibition Street, of which this government is an occupant, has its own blackwater treatment plant in the

basement. It actually gets all the black waste products, treats it, pumps it up to flush the toilets again and also to water the plants outside. It recycles basically 100 per cent of its wastewater and blackwater. There is also a blackwater treatment plant at the zoo, which is actually an exhibit. I would rather look at the monkeys, but it is under glass and you can see the system operating. So there are things afoot.

Another point is that the government has asked the top 200 industrial water users in the state to come up with a plan to reduce their water use by 10 per cent. This will obviously save a lot of water once they utilise the plan. I have to say this plan is flexible to the point that my understanding is that Siemens in Bayswater is looking at catching and recycling its water, and considers it to be good enough to install a pipe to the footy ground down the road. That is fantastic and a good example of lateral thinking. All these things are happening.

As I said, I do not think there is any one answer to the water issue. We need to implement all these options. We need to implement every answer we can find. When you speak to councils, sporting groups and water authorities you find that everyone, including the government, is thinking laterally about how we go about tackling this particular water issue.

I promised my contribution would be short, and I will be brief, but I have a concern I want to touch on. This plan is pivotal to making sure that these major projects are implemented and constructed; they need to be built. I get a bit concerned sometimes at the rhetoric of some members of this chamber who talk about one part of the state stealing water from another part of the state. I will shortly get to why I am concerned about this stealing water issue, but when it comes to the food bowl region, that project is going to include a \$1 billion upgrade of the irrigation system.

When you hold up a map, you generally hold it up with north at the top and south at the bottom, but I ask the house to please understand that a pipeline that runs north-south can carry water both ways. As for stealing water from the north and sending it south, I remind members that water can flow both ways. I can easily envisage a scenario where, once the desalination plant has been built and is operating, there would be nothing to stop excess water from the desalination plant being pumped up to the north — and that amount of water could be ample, if we have an ongoing drought situation. This is a critical aspect of this whole plan that needs to be implemented. That is why I support Ms Pulford's amendment — we need to make sure these projects go ahead.

I have a concern about the rhetoric put about on stealing water. I know some members got up and talked about stealing water, yet they were very silent when Prime Minister John Howard came out with his \$10 billion plan which would have greatly advantaged New South Wales and South Australia compared to Victoria. When that plan was announced there was no talk about stealing water. Some members of parties in this chamber were silent on a plan where we are prepared to spend \$1 billion on an irrigation system.

We are prepared to spend nearly as much on a desalination plant. These things will be our long-term fix. We have people firing up certain other people in the community with rhetoric about stealing water. I have a concern about this rhetoric because I have in my hand a document that has been faxed to a number of MPs; it has also been distributed in a number of areas. It is from an organised group whose members are angry. When you are a decisive government and you do things that have to be done, sometimes some people will not be happy, and that is the way it is going to work. I have a document here that talks about 'giving Brumby the message that if he steals our water, then he can expect his water to be cut off'.

They say this is how they are going to do it:

Target one ...

- A. Ben Hardman — blockade his office.
- B. Blockade the Hume Highway at Seymour in cooperation with the police.

I do not think our police would cooperate with that, but that is the idea. The document also states:

It will not need much to stop water flowing to Melbourne. Targets are: Sugarloaf, Yan Yean, Greenvale and Maroondah dam.

These are all easy targets to disrupt Brumby's water.

Brumby is only one man and I do not think he uses much water. I know he drinks a bit, but anyway!

On the transport system, it says:

The rail system should be disrupted to make Brumby sit up and realise that democracy does not appreciate him stealing water.

- a. Blockage the line at Seymour with gravel at crossing.
- b. Short out the rail tracks which will disrupt the signal system.

This is where people get wound up and go crazy over stealing water when, as I said, this pipe will flow two

ways, trust me! It does not matter how you hold up your map, it will flow both ways. It also says:

Direct action — the targets.

The house should remember that the target is Ben Hardman. They also target Candy Broad. They say they should target her office for this sort of stuff. At the office the following are some of the tactics:

A night paint job would be effective.

I am not too sure if Ms Broad actually needs a paint job on the outside of her office, but I do not think they are talking of beautifying the office. It goes on:

A cow or calf on a lead taken into the office would be advisable. Loose bowels would be advantageous.

It goes on and on, but this is a concern. We have to deal with this issue as a state. We do not want to be winding them up against us. The plans are in place. I support the amendment from the government. I support Mr Hall's reference to the Environment and Natural Resources Committee because I think it is an excellent one, but we need to be sensible and get it in place.

Mrs PEULICH (South Eastern Metropolitan) — I rise to make a brief contribution to what has been a fairly exhaustive debate in support of the motion, as amended initially by Ms Lovell. I understand, following several hours of debate, that some goodwill is being shown to coalesce around a broad amendment which could allow this reference on what is a very important issue to proceed and be taken up by the Environment and Natural Resources Committee.

Personally I am delighted to see the various parties, despite their differences, coalesce around some broad agreement to inquire into this matter, despite the fact that obviously it is several years late and despite the fact that there are significant differences. With a crisis in water affecting the daily lives of not only people in metropolitan Melbourne but also certainly in country Victoria, business, the community and of course water irrigators and the like, I think it would be a very bad look if in this hallowed hall of our democratic Parliament we could not come to some sort of agreement in the context of a crisis that we as legislators need to address and progress.

I commend all of those who have made some concessions in coming to this broad agreement, and I also commend Mr Hall on moving the motion. I know it is an issue that is very close to the hearts of all members here, including the previous Liberal Party speakers, such as Ms Lovell and Mrs Petrovich, as well

as others. I also pay Mr Hall a compliment on the fantastic contribution he made in his address.

Mr Vogels — That's going a bit far!

Mrs PEULICH — Don't quote me — I hope he will not use it in his campaign material.

An honourable member interjected.

Mrs PEULICH — I don't need your vote. It was an absolutely fantastic contribution. It was comprehensive. It really gave the government no opportunity to go anywhere, and hopefully the good ideas and the information canvassed by you, by Ms Lovell and by Mrs Petrovich, as well as by Mr Barber — although I did not agree with everything he said — will be matters that will first and foremost be picked up by the committee during its deliberations.

The traditional practice of democratic institutions has been to take difficult issues on which there are differences of opinion, refer them to committees and find some plan forward that everyone can embrace, and then it is up to the government to either accept, reject or amend recommendations that are put to it as a normal part of governance. I will not comment on the specifics of the motion. Suffice it to say that the government contributions, in particular as we heard from Ms Pulford, were very defensive, but with good reason.

The government has had seven or eight years in office with very little action, and there has been policy drift. Of the strategic papers and documents that have been cited very little has actually been implemented and executed. There has not been a comprehensive, multipronged strategy, and I think we have paid the price. We saw that when the government brought in the critical water infrastructure legislation. It was only critical because it was five years too late. The evidence was available to the government, and previous speakers have admitted that since 2003 they have known that there was a crisis brewing. The only reason there is a crisis is that there has not been sufficient action to increase our water supply, to reduce our current usage and of course to address such opportunities as recycling, stormwater harvesting and the myriad other initiatives that have been presented to the Parliament.

The government has relied on water restrictions as its prime strategy, and with those the punishment has really been to domestic users. Mr Barber commented on the challenges of being able to reduce water usage in our industry. The government of course several months back could not even put together a list of the top 200 users in industry to be able to address and take a proactive position with them. The government I think

has a lot to be embarrassed about. I think the resignation and departure from the Parliament of John Thwaites, the former water minister, symbolises its drift and its failure in water policy. Clearly, given that failure, he was just a carcass swinging in the wind, and I think it was very important for the government to move him on and dispatch him to greener pastures.

I understand the origins of the government's water restrictions policy date back to when Ms Sherryl Garbutt was the minister. This was drawn to my attention by Ms Lovell, who referred to a press release that was put out by Ms Garbutt urging Victorians to share their shower as the prime policy response to the water crisis. Really very little has changed as far as government action is concerned. Of course when we were debating the critical water infrastructure legislation many members made note of the fact that the government had ripped \$2.8 billion out of water authorities and reinvested very little in water infrastructure and that that had caught up with us. At the time government members said — and we have heard it since — that they cannot make it rain. We all know and understand that, and no doubt ministers and members of the government have been on their knees praying for rain.

Dubai does not have rain, but it does have a desalination plant and no water crisis. Despite the fact that the government had pooh-poohed the idea of a desalination plant, three weeks after that debate John Brumby, the now Premier, took himself off to Dubai to check it out. Clearly the government was caught flat-footed. It was caught, I think, napping at the wheel, and unfortunately the consequences in terms of loss of jobs, loss of industry and loss of quality of life and assets have been very substantial. Our community will continue to pick up the bill for a long period of time.

This government is basically a government that governs by spin and by slogan. Really I have seen very little else to reassure me that it is on top of this issue. I welcome the opportunity of all members of Parliament putting their shoulders to the wheel, addressing the issues and trying to come up with some way forward so that we can make sure Victorians are not subjected to punishment as a result of the government's failure to lead and govern. The government has had its head in the sand, and we have seen it being quite deceptive. I certainly hope this is an opportunity for it to start afresh and make sure that Victoria does the right thing.

A number of issues have been brought to my attention that I would like the committee to also take on board. In particular I understand that there is currently a review of the retail water sector, that the government has a plan

to reintegrate those retail water businesses and that there is significant concern we will end up with a huge monopoly, with Rob Skinner, who has been very supportive of and very close to the government, ending up as head of a monolith. That is a review that we have to keep an eye on. Other issues are the need to increase access to greywater, stormwater harvesting and recycling — all of those things.

All of us were asked recently by the newspapers to respond as to whether or not we have a tank. Like Mr Barber I have recently moved into a new residence. I actually have very little vegetation in my garden at the moment because we are engaging in some landscaping and it has stalled. I have not applied my mind to that either. But what a lot of people who do have water tanks and who have applied for government rebates have said to me is that the government has a list of water tank owners, and they bet their bottom dollar that further down the track the government will try to charge for the water collected in rainwater tanks. I certainly would not be surprised if that were the case.

Another local example I have concerns the owner of a local commercial nursery who has invested over \$500 000 in establishing a water recycling and treatment facility on his property to make his business more sustainable. The latest development is that, despite the fact that he has invested the money and that he actually has to collect the water and recycle and treat it, the water authority is going to try and charge him for it. If we want people to recycle and to use water more wisely, we cannot be punitive. I have every confidence this new committee will address all of those things should this motion go through.

I intend to give a dissertation on the very few times members of Parliament in the other place who represent electorates covered by the South Eastern Metropolitan Region have spoken about the water issue. For example, the member for Mulgrave has not mentioned water once since the last state election. The Speaker, who obviously gets very few opportunities to speak, also has not, and we understand why. The member for Cranbourne asked merely one question during almost a year. The member for Narre Warren South made one short speech on a water bill, the title of which was longer than the speech, as I understand it.

The member for Narre Warren North made his sole contribution on the issue of water when he attacked the federal government twice with one-liners, but certainly with nothing substantial that might draw or force the government to act. The total effect of the contribution of the member for Clayton on the very important issue of water was one line in a speech congratulating

St Peter's Primary School for being declared a water efficient school.

The member for Mordialloc made a few more contributions, I think four, including one attacking me about my newsletter. The now Minister for Water answered six questions during question time, but made no substantial speeches on water whatsoever. The member for Mount Waverley had one line about native water plants being planted, and that was it. The member for Frankston made several speeches and focused basically on his local community. The member for Dandenong did not utter one word about water.

That is not an impressive list, and I would imagine that, if we actually had done an analysis of the number of times Labor members talked about water issues and the water crisis, it would have been just as underwhelming. This is the reason the government has failed to take the lead on this very important issue. When you are members of a government with a large majority, yours is the responsibility of twisting their arms, kicking them in the shins or in the backsides if need be, to force them to take a course of action so that the community is not neglected.

Dare I say that those members of Parliament, including those I have named, have failed in that responsibility. When I was a member of a government, I took that responsibility very seriously and often it did not make me a particularly popular person. The failing is on the part of lethargic members of Parliament who get very comfortable in office, and it is time for them to lift their game.

I commend the motion as amended by Mr Kavanagh, perhaps as a way of taking us forward, and with those few words I wish the proposed inquiry every success, because Victorians deserve it.

Mr VINEY (Eastern Victoria) — I am very pleased to speak on this motion. I am not going to speak for long, but I feel the need to respond to a couple of things that have just been said.

Firstly, I was really disappointed in the very ungracious criticism of the previous Minister for Water in the other place, John Thwaites. I put on the record my view that John Thwaites was the first water minister appointed in an Australian government, and he worked tirelessly on the issue. He had a passion and a commitment for securing Victoria's water, he worked ceaselessly and created through his work some incredibly innovative strategies for Victoria through Our Water Our Future and other documents and initiatives for which he was responsible.

It was fairly ungracious of Mrs Peulich to criticise the former minister so recently after his retirement from Parliament; whilst he cannot defend himself, I am prepared to. His contribution to the state of Victoria will always far surpass that of Mrs Peulich in this place.

Secondly, I think it is important to put on the record that in this debate and in the overall debate about water to criticise the government for being late on this issue is absolutely wrong. The government has been working on water strategies since we came to office in 1999, and those strategies have ramped up. Let me just put it into context. What do you do with the water crisis? If you cannot make it rain, as Mrs Peulich said, what do you do? Essentially, you have to use less and you have to reuse more. Those are the strategies that the government has been putting in place, with some success of securing our water by reducing the amount that has been used.

The house has heard silly contributions to the debate about Melbourne stealing other people's water. I represent Eastern Victoria Region, as does Mr Hall, Philip Davis, Mr Donohue and Mr Scheffer. I think all of us need to recognise that of the 11 lower house electorates that our region covers, 7 are actually in the Melbourne Water area of responsibility. The sorts of suggestions the house heard would lead to members in the Eastern Victoria Region, for example — and this applies to all the other regions — saying that the water in four of those lower house electorates is only for their use; that it is their water and no-one else's water. That would be just nonsense!

People come in here with a purely political spin, saying that Melbourne is stealing their water, when in fact people in those regions are prepared to sell their milk, wool, meat, vegetables, other produce — and power in the case of my electorate in the Latrobe Valley — but not their water to Melbourne. It is just pure nonsense. Water is a marketable product that everyone needs to have a right to.

Clearly Melbourne does not have a reservoir; you cannot say that Melbourne should draw its water from its own reservoir. Where is there going to be a reservoir in Melbourne? What a load of rubbish. We have to recognise that all of us in this state have a right to, and a need for, water. That is what we have, and we need to make sure that that is secure for all of us in the state, no matter where we live. That is the collective, community-responsible approach that we need to take.

When people sit down to talk about and think about this, they will see there is some common sense around it. We on the government side do not believe we always

have all the answers. We are more than happy to have references to committees. Our position has always been that references to parliamentary committees to investigate issues are really useful. The joint parliamentary committee process of the Victorian Parliament has been a cornerstone of this Parliament's success, so we are happy to have this reference.

What we are not prepared to support with this motion is any suggestion that there should be delays in the government's program to secure Victoria's water initiatives. We were never going to accept a motion that proposes further delay. We can all agree that action is needed, and we need to get on with it. The government has come up with a plan, and it intends to implement it. We could not support a motion on those terms. But we do believe it is perfectly appropriate for the Environment and Natural Resources Committee to have a review. We are prepared to support those elements of it, and as such, through Ms Pulford, the government proposed an amendment to essentially delete the provision proposing further delay. As a result of some sensible discussion between the parties during the debate — and I appreciate the cooperation of the other parties in terms of the integrity of those discussions; we had some hiccups along way about how we notify one another, but we have accepted apologies in that regard and are happy to move on — we have achieved some common-sense solutions.

The government is more than happy to accept Mr Kavanagh's amendment, and on behalf of the government I indicate to the house that we will be withdrawing the government's amendment proposed by Ms Pulford. We appreciate the cooperation of all parties in the house to reach this agreement so that the Environment and Natural Resources Committee is now able to undertake its investigation without any further commentary about the need for delaying tactics or other issues. The government is continuing to consult with the communities in these areas. We are happy for that to continue, not only through the government's programs but also through the Environment and Natural Resources Committee. If, as I suspect, Mr Kavanagh's amendment is accepted by the house, the government will be prepared to accept the motion as amended.

Mr P. DAVIS (Eastern Victoria) — I rise to speak to Mr Hall's motion before the Chair, which essentially deals with three matters. One is clearly a reference to a joint investigatory committee of the Parliament, the Environment and Natural Resources Committee, to consider certain terms of reference with regard to the supplementation of Melbourne's water supply. It separately calls on the government to suspend plans in regard to water diversions from the Goulburn

catchment to Melbourne and also to suspend the construction of the proposed desalination plant at Wonthaggi.

Nobody in this chamber and nobody in Melbourne would be under any illusion that there is not a crisis immediately presented to us in terms of the security of supply of water for Melbourne, and there is a view that in the medium term Melbourne will have endemic difficulty in sustaining the necessary water supplies. Just to put that briefly into perspective, Melbourne's water storages currently hold 39.1 per cent of capacity compared with around 47 per cent of capacity at the same time last year. A storage level of 29.3 per cent would trigger level 4 water restrictions in Melbourne — that is, a ban on the outside use of water and further commercial restraints, including the closure of car wash facilities. From the point of around 47 per cent capacity this time last year, Melbourne's storages fell to below 30 per cent by the autumn, a drop of 36 per cent, even with increasingly stringent restrictions on use. The same projection over the coming summer would take the city's storages to below 25 per cent of capacity, and in that event storages like the Thomson Dam would be down to dead water — that is, water that cannot be readily retrieved.

The government has yet to turn a sod on its water projects for Melbourne. Supplementary supplies are years away. We are heading towards a crisis in a matter of months. Victoria will indeed be a sunburnt country by the autumn, and the government remains in denial. It regards a 35 to 40 per cent chance of medium or better rains as a good enough bet. Surely that is not sufficient to provide an immediate remedy. That is the immediate context. This motion deals with the medium term rather than the short term, so I will deal with that. We have before us a motion moved by Mr Hall; we have amendments proposed by Ms Lovell on behalf of the Liberal Party; we have an amendment proposed by Ms Pulford on behalf of the Labor Party; and we have an amendment proposed by Mr Kavanagh on behalf of the Democratic Labor Party. So we do have a fine situation before us to consider. I will deal with each of these matters in turn.

Firstly, in regard to the motion, clearly the Liberal Party does not believe it is acceptable for there to be a delay in progress towards resolving the medium-term requirements for Melbourne's water supply. It was indeed the Liberal Party which a year ago put on the public agenda in Victoria a desalination plant to assist in the augmentation of Melbourne's water supply. The Liberal Party was ridiculed during the course of the election campaign by the government, by the then Premier, by the then Minister for Water, Environment

and Climate Change, by the Treasurer and by other learned ministers of the Crown, who have now been persuaded by the obvious intellectual merit of the propositions put by the Liberal Party during — —

Mr Thornley — You had the wrong technology in the wrong location and the wrong size. What was good about it? Nothing.

Mr P. DAVIS — Mr Thornley has an opportunity to contribute to the debate. I will be interested to hear what he has to say, but I am not going to respond to his inane comments. With regard to the proposals to augment Melbourne's water supply, our view is that this an urgent matter and the desalination project cannot be impeded. However, having said that, we do have concerns about the location of the desalination plant and the lack of proper consultation with the community at Wonthaggi. Many arguments have been led by community members, which demonstrates that the government's capacity to properly consult with affected communities in regard to major projects is wanting, as was demonstrated over the last Parliament — an example being the proposal for a toxic waste dump at Nowingi.

I want to come to the issues. We do not believe the motion as it is worded has the sense of urgency required. The amendments moved by Ms Lovell go to that point. She proposes that we insert the words 'as a matter of urgency' in place of the reporting date of 31 December 2008. I accept that the words of the motion are 'report no later than 31 December 2008'. If the house considers that it should pass this motion, it should do so with a message to the Environment and Natural Resources Committee that our expectation is that this matter will be treated as a matter of urgency and that there should be no undue delay by letting time lapse before the reporting date set down in the motion.

Our view, reflected in the amendments proposed by Ms Lovell, is that we should also consider new water storages and dams. The Liberal Party has a clear policy position to look at dams on a case-by-case basis, and at the last election it proposed a new dam for Melbourne's water supply at Arundel. It goes without saying that the Liberal Party has a policy position which is different from that of the government in that respect. However, we do accept that an interpretation of the first part of the motion — the reference to the Environment and Natural Resources Committee in paragraph (6), which says 'any other optional water source which appears to the committee to be appropriate' — can include consideration of dams and water storages. Therefore I suggest that the house is really sending a message to the ENRC to include in its deliberations consideration of

the prospect of having a look at dams and water storages.

A further amendment proposed by Ms Lovell to the motion moved by Mr Hall is that we should omit all words after 'Goulburn catchment and' and insert 'to consult with the affected community on the location of the proposed desalination plant at Wonthaggi'. The intent of that is to change the motion to deal with our concern that the Liberal Party is opposed to the northern Victorian pipeline and supports in principle the desalination plant at Wonthaggi. Restructuring the motion in that way would serve the purpose of the Liberal Party in emphasising its clear position on those matters — that is, we want to plug the pipe, as it were, from northern Victoria, but see no reason, other than community consultation on location, to delay the development of a desalination plant.

Having said all that, I can say that the Liberal Party will be prepared, as the government has indicated, to withdraw its amendments. I will formally do that on behalf of Ms Lovell at the conclusion of my speech. Before doing that, I want to allude to the government's amendments, which Mr Viney has indicated the government is withdrawing. In our view they are simply self-congratulatory and would not achieve very much, given that the policy document to which the government amendments refer talks about implementation in 2010–11. The reality is that Melbourne has an urgent matter before it, and I do not think we can wait that long. I thank Mr Viney for agreeing to withdraw that amendment. I think it was very sensible to withdraw it.

Mr Viney interjected.

Mr P. DAVIS — Mr Viney said 'Disingenuous'. The truth is that there has been some goodwill in considering how the house might deal with this motion to get to a conclusion that I think reflects a mature view of the house and an expectation by the community that we would do something cooperatively to talk about the important water conservation and supply issues.

In conclusion, Mr Kavanagh has moved an amendment which is a compromise. It deletes all of the words which were causing difficulty for the various parties in this place and ensures that a reference can go to the Environment and Natural Resources Committee to look at the supplementation of Melbourne's water supply in a number of areas. What I do want to say is that, although the work that has gone into preparing speeches today, the contributions that were made by various members and the compromise which has been reached have all been useful in themselves, there are a

couple of inconsistencies that I think we need to understand.

The government is opposed to dams, yet it is an advocate for rainwater tanks. In part the argument the government uses against dams is, 'If it does not rain, there is no water'. The logic defies me. Why would you encourage householders to put in rainwater tanks and provide rebates if it does not rain? It is exactly the same principle. There is self-awareness and self-responsibility demonstrated by a householder who puts in a tank and a community responsibility is demonstrated in the building of new dams. The logic is the same; it is simply a matter of where the accountability is.

Personal accountability is taking responsibility for your water, as any of us who have grown up on farms have done all our lives. Communities in urban areas do not have the luxury of having the land area to put in water tanks and need to rely on dams to manage the supply of water. Intellectually I cannot understand the position of the government on this issue. In my view it is a totally irrelevant position. However, I accept that the government has a different view from the opposition.

I also have a problem with The Nationals position on the desalination plant at Wonthaggi as a matter of principle, and that is this: if we do not find alternative water sources for Melbourne — that is, desalination — there is an absolute inevitability that more of Gippsland's water, indeed the Gippsland Lakes environmental flows, will have in the end to be diverted to augment Melbourne's water supply. It simply does not follow in logic in my view to say to the 72 per cent of Victorians who live in the greater Melbourne area that they cannot have enough water to supply their personal, domestic, garden, commercial and industrial needs. It makes no logic to me at all. It is a zero sum game.

Mr Drum interjected.

Mr P. DAVIS — The inquiry which we are about to agree to means the ENRC will look specifically at a number of options. A disorderly interjection has just provoked me. However, my point is this: in the medium term the augmentation of Melbourne's water supply means that there are a limited number of options. There is the option of building new dams, but the government is against dams. The government is not going to change before November 2010, so we need to get on with a project. The government has accepted that the Liberal Party was right at the last election. I am aware that The Nationals had a desalination policy as well. Indeed it

was correct for the opposition parties to advocate desalination.

The government has not adopted new dams, but it has adopted the desalination policy. That is a good position for the government to take, because it means that the inevitable pressure to dam Gippsland rivers and to divert water from the Gippsland Lakes catchment to Melbourne for consumption by Melbourne water users for domestic, commercial and industrial uses will be lessened. You cannot create water from nowhere; there are a limited number of options. Clearly desalination is but one option, but it is an important option which in my view is of great benefit to all of us who have a long-term interest in the environmental health of Gippsland's waterways, because inevitably that pressure will remain.

I support the proposed amended motion on the basis that it is a reasonable compromise and will not only allow the Parliament's joint environment committee to look at options but importantly will also ensure that the difficulty which many members of this house were having with the detail of the wording of the motion will be overcome. I congratulate Mr Kavanagh for his initiative in brokering a compromise that will ensure that Victorians can see that the Parliament is working in a cooperative sense to improve the security of water supply for the future of Melbourne. Therefore I formally seek leave to withdraw the amendments proposed by Ms Lovell.

Ms Lovell's amendments withdrawn by leave.

Mr VINEY (Eastern Victoria) — I am sorry, Acting President, but my understanding from the advice I received from the clerks was that although I sought leave during my contribution to move that the government amendment should be withdrawn, I am not sure that you put the question. I now formally ask for that to be done.

Ms Pulford's amendment withdrawn by leave.

Mr HALL (Eastern Victoria) — I just want to make a few comments in reply to what has been a very interesting afternoon and early evening of debate. I want to congratulate all those members who made a contribution to this debate; I want to thank them for their sincerity and their competence in putting together their contributions.

This has not been the sort of debate where members have just come into the chamber with little thought and jumped to their feet to make some sort of comment. I think every member who has spoken this afternoon and this evening has put some thought and preparation into

their contribution. I congratulate members on their contributions.

I also want to thank the house for its indulgence in facilitating what has been — and I think the clock has just ticked over — a 4-hour debate on this motion. While that is not a record in terms of the length of a debate, it is a very significant length of time for a debate on a general business motion. And so it should be, because earlier today I said at the start of my contribution that this was one of the most important topics which this Parliament and the people of Victoria need to confront. A worthy 4 hours has been spent by the Parliament today in debating this motion.

One thing I felt was a common element in every member's contribution to this debate was the suggestion of a means by which Melbourne's water supply can be supplemented; it is not just the north-south pipeline or the desalination plant that are going to be the solutions to this. Every single member who has stood to contribute to this debate has suggested that we should be looking at alternative means as well as those other means. Some members, including me, have suggested that the north-south pipeline and the desalination plant are not required to meet Melbourne's future water needs for the next 50 years; not all members share that view but some certainly do, in part.

I am pleased again that every member who spoke supports the need for further inquiry into this issue. I think we are going to end up with a resolution, which will have the support of all members of this chamber, to further pursue the investigation of alternative options to supplement Melbourne's water supply. Again, I thank members in anticipation of that support.

Nobody argues about the need to bring about security of water supply. I note Mr Viney's comment that it is essential we look to securing water supplies. Mr Viney said this in regard to Melbourne, but I am sure he would mean it to apply to all parts of Victoria as well. We should make every effort to secure water supplies. The debate has been purely about the means of achieving that. While the government has placed reliance on the north-south pipeline and a desalination plant The Nationals and the Greens — I particularly thank them for their support — and the Liberal Party in part have suggested that a greater reliance should be placed on alternative means of sourcing water to supplement Melbourne's water supply. I think that will be a result of this debate and a further inquiry.

I have to say I am bitterly disappointed that the government is not prepared to do as the motion says — that is, to tread water for 12 months and to take a more

serious look at the alternative water supply possibilities. It is what this motion calls for — that is, an approximate 12 months or shorter delay, and everybody's desire is that it would be shorter than 12 months — to examine some of these alternative options.

However, despite The Nationals' and my bitter disappointment that the government is hell bent on proceeding with both of those major projects and spending the best part of \$5 billion of Victoria's money on a north-south pipeline and a desalination plant without the outcome of the committee's investigations, I have to say that I have not given up hope. The message that I send to the people of Victoria who have expressed a view about these particular projects is not to give up hope either, because by the time these projects have gone through the various planning processes required to bring them about, it may be that the committee will have investigated some of these alternatives and reported back to the people of Victoria.

Perhaps the government will have a change of heart before it turns a sod of soil or drives a peg or something into the ground to begin these particular projects. I ask the house not to give up hope, because there is a long way to go before these projects even get started. I would encourage the parliamentary Environment and Natural Resources Committee to act with urgency, to look at some alternatives and perhaps give the government alternative ideas before it embarks upon these very expensive projects.

I want to comment on one thing that Philip Davis said — that is, it seemed to him that the alternative to a desalination plant was to take more water from Gippsland. That has not been stressed; he should have listened more carefully to the arguments presented today by me, Mr Barber and a few others in this chamber. We clearly made the point that Melbourne needs an extra 200 gegalitres of water; we also made the point that Victoria has at least 300 gegalitres of water going out to sea via the eastern treatment plant and the western treatment plant; and we also made the point that we have 500 gegalitres of rainwater falling on Melbourne but that half of it, or 250 gegalitres, falls on impervious surfaces within the Melbourne catchment.

Our claim, which has been supported by government documentation I quoted from during my contribution to the debate, was that sufficient water — in fact, plenty of it — was produced from treated recycled water or harvested stormwater to supplement Melbourne's required water supplies without the need to take more water from the north of the state, from Gippsland or from any other part of the state as well. There is water

in Melbourne's own catchment — recycled water and rainwater — which can be used for Melbourne's future needs. I reject the proposition that what is necessary is a desalination plant or the taking of water from Gippsland. There are other alternatives. I trust that the work of the Environment and Natural Resources Committee will verify that claim.

As has been stated by the members who have last spoken — Mr Viney from the government side and Philip Davis from the Liberal Party — there has been a preparedness to withdraw some of the amendments that were put before the house. We had three sets of amendments before us: one set was moved by the Liberal Party through Ms Lovell, one by the Labor Party through Ms Pulford and one by the Democratic Labor Party through Mr Kavanagh.

We will end up with a resolution that is not ideal for everybody. The resolution that will be reached will certainly not be my ideal; it will certainly not be the ideal of the Greens, as Mr Barber said; it will not be the ideal of the Liberal Party or the Labor Party; and it will not be the ideal of Mr Kavanagh. It will be a compromise position. This house has been prepared to work behind the scenes to bring about an outcome which at least in part will satisfy all parties and progress the issue forward.

I thank those members from the other parties who have negotiated through the latter part of this afternoon to bring about a resolution that I think will have the support of all people in this chamber. With the withdrawal of the Labor Party amendment and the Liberal Party amendments, we have an amendment from Mr Kavanagh which is still live, so to speak, which will shorten the motion that I moved earlier today to facilitate a reference to the Environment and Natural Resources Committee but which will make no comment on actions with respect to the north-south pipeline nor a desalination plant. No doubt those issues will be canvassed as part of the committee's inquiry.

We had one member of the committee speak today who said that the committee is looking forward to such an inquiry. I spoke to some of the committee members during the dinner break, and they are also looking forward to this inquiry. The inquiry by the Environment and Natural Resources Committee will, I think, throw light on the issue and give information and guidance to government and to the people of Victoria as an appropriate way forward to meet Melbourne's water supply needs. I think that is a positive step. Despite the bitter disappointment that some will share that their ideal motion has not got up, given the way it started, we now have a position which everyone is prepared to

accept and which will at least progress this debate and hopefully deliver good outcomes for the people of Victoria.

I close by again urging members to now support Mr Kavanagh's amendment, which is something that I understand has been negotiated and that people will be prepared to support, and by again thanking the house for its indulgence in facilitating this debate today.

Amendment agreed to; amended motion agreed to.

CRIMES AMENDMENT (RAPE) BILL

Introduction and first reading

Received from Assembly.

Read first time for Hon. J. M. MADDEN (Minister for Planning) on motion of Mr Lenders.

JUSTICE LEGISLATION AMENDMENT BILL

Introduction and first reading

Received from Assembly.

Read first time for Hon. J. M. MADDEN (Minister for Planning) on motion of Mr Lenders.

PLANNING AND ENVIRONMENT AMENDMENT BILL

Second reading

Debate resumed from 18 September; motion of Hon. J. M. MADDEN (Minister for Planning).

Ms MIKAKOS (Northern Metropolitan) — I am very pleased to be able to continue my contribution which was interrupted last night.

An honourable member — It seems a long time ago.

Ms MIKAKOS — It does seem a very long time ago. I note that it is now 10 minutes past 9 in the evening, and we are only now beginning to discuss government legislation. Those who are in the gallery must be wondering what we have been doing all day.

It is a very important bill that we are debating here. It is a bill, as I explained in my contribution yesterday, that deals with a number of technical changes to our

planning system. It is part of the Brumby government's commitment to improving our planning system and to providing a more streamlined and a more efficient system.

I note that in the other place there was a house amendment that made some very important changes to one aspect of this bill, and I want to touch upon that briefly. The references in the bill to the Department of Sustainability and Environment were replaced with the name of the newly established Department of Planning and Community Development. The establishment of that department is a very significant development for this state. It reflects the new Premier's commitment to prioritising issues of urban planning to create better local communities, and I am sure that is something the Victorian community would strongly support. That change is about having a greater commitment to community development and livability issues and seeing that those issues are very much at the heart of our planning process. It is about not seeing planning as a silo issue or in a way that is isolated from the broader issues of community development and community infrastructure.

The newly established department will also as one of its key focuses be looking at the issue of housing affordability. That is something I strongly welcome and support, because we have talked about this issue in the past and we are seeing the great Australian dream of owning one's own home becoming more and more difficult as time goes on and in response to continued interest rate rises in this country. That is the single biggest contributor to housing becoming less affordable, and of course it is also having a flow-on effect on the rental market.

I note in passing that just today I had a local constituent who is in the private rental market contact my office because they had their rent increased by their landlord by \$85 a week, which is a shocking increase. Of course that is a direct response to people having to pay more on their mortgage payments, which is therefore having the flow-on effects of putting the squeeze onto tenants and causing a lot of pressure for homeowners and also for people in the rental market.

I want to touch on a few issues in particular that have come up during the course of the debate on this bill. As I said at the outset, this bill is part of our commitment to streamlining the planning process. I noted in my contribution yesterday that a great deal has already been done in that area as a result of cutting red tape following the planning review done by Elaine Carbines, the former Parliamentary Secretary for Environment. As a result of that review and the changes that have

already been implemented we have seen the introduction of a fast-track process for amendments that removes unnecessary planning controls, we have seen the removal of an estimated 4000 minor planning applications annually from the planning system since August of last year and we have also seen expert teams provided by the department to assist councils in reviewing their local planning policies.

We recognise that local planning policy is an important component of our planning system. These teams are very important, and I found it quite appalling that the shadow Minister for Planning, Mr Guy, referred to them as jackboot teams. They are not that at all. They are teams that provide very important expertise and advice to local councils and they try to work with local councils in a supportive way to make sure that local planning policies work well.

I noted that in his contribution Mr Guy made a number of disparaging comments about Melbourne 2030. I just want to touch upon that issue briefly, because Melbourne 2030 is a very important part of our planning policy framework. It is about managing the growth of Melbourne and its network cities into the future.

Unlike the Liberal Party, which does not have a plan, we have a plan for the future of Melbourne and Victoria. The Liberal Party would see us end up with Los Angeles-type urban sprawl, with the consequences of that for services, the pressures it would have on infrastructure such as roads and the adverse consequences it would have on the environment and on our green wedges in particular. Our policies, Melbourne 2030 and our introduction of the urban growth boundaries, are ways of planning for our projected population growth but also protecting our environment. This is a policy and framework that is going to be regularly reviewed; there is a commitment there to regular five-year reviews.

Members would be aware that as part of that, last year the then Minister for Planning announced there would be a review in 2007. That process is now under way. Members of the public have until Monday to put in their submissions, and those submissions, as Mr Guy might be interested to note, will be posted on the departmental website. That is important in ensuring there is transparency as part of this process.

We have an expert group that has been asked to look at the issues of the Melbourne 2030 audit. People would be aware that the group includes people like Dr Rob Moodie, the former VicHealth chief executive officer and a public policy expert; Dr Ann McAfee, former

co-director of planning and director of city plans in Vancouver, Canada, who has international planning expertise; Michael Wright, QC, a specialist in planning law; and David Whitney, an eminent Victorian planner with over 35 years of experience. So we have people with a broad range of public policy experience in planning, development, local government and community engagement. The government is very serious about this audit, having supported it with an additional \$1 million that was announced in the government's election policy and in this year's state budget.

I noted also that Mr Guy in his contribution made a number of comments about the taking of planning approval away from local government and giving it to unelected bodies. I find that quite hypocritical and laughable. I inform Mr Guy that I was an elected councillor who got Jeffed in the early 1990s, and when I was on the planning committee of the Northcote council we had a lot of hands-on involvement in planning issues. When the councils came back after the Kennett-forced amalgamations we ended up with a huge swag of planning decisions being delegated to council officers. Mr Guy is very much misguided if he thinks that the Kennett changes did not change the way local councils dealt with planning matters. I can assure him that there was a very significant change.

It is quite hypocritical of the Liberal Party to talk about these issues, because, as we all know, the Liberal Party has form when it comes to interference on planning issues. The Liberal Party has a track record of calling in a huge number of planning matters and providing no public explanation. For example, in the last year of the Kennett government, 1998–99, 211 cases were called in by the then planning minister, Mr Maclellan, with no public explanation. By contrast our planning practice note requires the minister to give an explanation, and our planning minister, Mr Madden, has called in far fewer cases than that; in fact 125 were called in in the past 12 months. So it is quite hypocritical of Mr Guy to come in here and talk about democracy and local council involvement in the planning process when during the Liberal Party's term in office the opposite was quite clearly the case.

In conclusion, this is an important bill which is about our commitment to streamlining our planning process and providing a simpler and more efficient planning system. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

Mr JENNINGS (Minister for Environment and Climate Change) — By leave, I move:

That the bill be now read a third time.

In so doing I thank members for their generous and extended contributions over a very lengthy period of time.

Motion agreed to.

Read third time.

LAND (REVOCAION OF RESERVATIONS) BILL

Second reading

Debate resumed from 23 August; motion of Mr JENNINGS (Minister for Environment and Climate Change).

Mr GUY (Northern Metropolitan) — It is a pleasure to speak to the house on the Land (Revocation of Reservations) Bill 2007. It is a fairly straightforward piece of legislation. It revokes Crown land reservations over four parcels of land around Victoria. It is now being done in one bill, rather than being done by individual bills, as has been done in the past. Previously a bill concerning a certain piece of land would come to Parliament and we would debate the issue regarding that piece of land. Now we are debating the issues regarding a number of pieces of land, all of which are grouped together and are being dealt with in the bill before the house tonight.

Mr Barber — Are you going to give us a guided tour of them or what?

Mr GUY — For Mr Barber's benefit, I will give a guided tour of most of the land parcels being removed. He is obviously very keen on the bill, as no doubt most of us are — or certainly we are keen on the parcels of land in it. I will do that so that Mr Barber will not have to research information for his own speech. He can plagiarise mine, if he likes.

There are a number of interesting parcels of land: one in South Melbourne, one in Daylesford, one in Beechworth and one at Lake Condah. I turn firstly to the South Melbourne parcel of land that is having its Crown land status revoked. The South Melbourne site is an 8122 square metre parcel of land which was originally planned to be a Roman Catholic orphanage in the days when Catholic orphanages were all the go.

Thankfully these days we have moved on and become more modern in our thinking. I believe those kinds of facilities are not the best way to deal with orphans; therefore the 1880s zoning of the parcel of land for use as a Roman Catholic orphanage is redundant. It was envisaged that the complex would take up all the site, but it was never built.

The site is bounded by Napier, Cecil, Raglan and Church streets in South Melbourne. Members would know from the debates we have just had — either on the Planning and Environment Amendment Bill, which we have just debated, or on other bills — that this piece of land would be very useful to develop. It might even comply with the government's Melbourne 2030 legislation, which would enable a high-rise apartment block to be put up on this very small parcel of land — 8000 square metres — in South Melbourne. If anyone is able to develop this site, no doubt they will have to build up to 20 or 30 storeys, because the government has a strategy of building as high as possible close to the city.

Last night I raised the issue of the Peel Hotel in Wellington Street, Collingwood, where an existing business is finding it difficult to operate around the increase in density that is occurring in inner suburban areas. The government has not addressed this problem.

Mr Barber — We like the Peel.

Mr GUY — So do I, Mr Barber. I hope the government takes note of what was said last night and provides some clarity for operators of all kinds of venues in inner suburban areas who are faced with the increased density as a result of the development of blocks of land such as the one which is having its Crown land status revoked through this piece of legislation. High-rise or high-density apartments are being placed on such blocks of land. I hope the government takes this into account and that when this land is sold and redeveloped the operators of venues in the area — like Mr McFeely at the Peel and others who are facing challenges they have never faced before — have some certainty when it comes to operating their businesses.

Another of the four parcels of land is in Daylesford. It is very small — only 715 square metres of land. The parcel of land, which is in the township, was set aside for the Daylesford Ladies Benevolent Society, which is looking to develop the site. However, the Crown reservation covers half the site, so the group needs the revocation to occur so that the rest of it can be properly developed or so they can actually do something with it. I do not think that anyone in Parliament would disagree

that the Daylesford Ladies Benevolent Society has the right to do that. We are certainly very supportive of that.

The third parcel of land which is having its Crown land status revoked is in Beechworth and is attached to the former hospital site. I do not know if any members of this chamber have been to Beechworth lately, but there are certainly issues with development in the town that are worth considering. The parcel of land this bill discusses is a former Department of Human Services asset. The Indigo Shire Council has plans to build new shire facilities — shire offices and other offices — on the site. It is important that this revocation occur so the site can at least be utilised and the Shire of Indigo can maximise the use of the site to the benefit of the shire and the people who live in the shire. There are buildings that surround the site, but thankfully they cannot and will not be placed at risk by any redevelopment plans. That needs to be considered when we consider the bill.

The fourth parcel of land is in south-western Victoria, as Mr Koch and Mr Vogels will be aware, around the area of Lake Condah. The bill deals with the revocation of the Crown status of 244 hectares of land in and around the dry lake that is Lake Condah and the transfer of that land to the Gunditjmarra people. A native title claim has been established through the federal native title process, and a long-term indigenous connection to the land has been established. In accordance with the long-term process — I think it has been a decade or more now — that has been established at the federal level, the bill will revoke the Crown land status and pass the land over with non-exclusive property rights to the Gunditj Mirring Traditional Owners Aboriginal Corporation.

If the bill is passed the revocation we are discussing tonight will give the corporation full control of the land, including the right to sell it if it desires. However, I am advised that the site is landlocked, if you like, by other parcels of Crown land — I hope I am saying the right thing here — so it will be very difficult to sell the land. People would have to pass over Crown land to get to the site, so I do not think it would be sold. No freehold land has been claimed; the land claimed is entirely Crown land. The site to be handed back, as I said, is surrounded by Crown land and thus will not be able to be accessed without Crown consent. It is very important to take note of that.

I am advised that when the land transfer takes place, a section 173 agreement will be negotiated with the Gunditj Mirring corporation. That will then be placed over the land and will set down certain requirements for

land management, such as weeds control, native vegetation protection and general land management issues. That is very important; we in the Liberal Party certainly see that as very important. There have been a number of times when our members and, I think, other members representing country and regional Victoria, particularly those from the Liberal Party and The Nationals, have talked in this chamber about the need for the government, when it passes on or sells land, as in this case, to ensure that that land is managed correctly. Certainly where it is either bordering or close to private property, it is important that that land is managed properly, that there are native vegetation protections if needed, but also that weeds are controlled. Weed control is exceptionally important. There are many examples of country Victorians I have spoken saying that you can always tell the land that is owned or managed by the government — it is full of weeds.

I think we will find that the section 173 agreement that will be negotiated between the government and the Gunditj Mirring corporation will be very important, because it will seek to put in place some kinds of levels of management and guidance as to what can and cannot be done on the land, and certainly it will say what needs to be done to maintain it to a standard that the community would find acceptable.

We have some concerns about the Lake Condah land transfer. Access to the land by non-indigenous Australians will be restricted to some extent. Obviously when we are talking about the revocation of Crown land, we are talking about land that can be accessed by all Australians. We will be handing this land back to indigenous Australians, who will have total control of the site as opposed to the site being available for public use, as it is now. So there is some concern there, but we do not have any written guarantees about the sale of the land by the corporation. We need to take that into account, and also the fact that the government must closely monitor what I have just spoken about in relation to the land management issues.

In conclusion, the Crown reservations on the four parcels of land I have mentioned — the Lake Condah site in Warrnambool, the 8000 square metres of land in South Melbourne, the 700 square metres of land in Daylesford and the 1.75 hectares site in Beechworth — will be revoked after the passage of this bill. The Liberal Party will not oppose this bill, and in that sense we urge all members to take note of the concerns we have raised. I reiterate that we will not oppose this bill.

Mr BARBER (Northern Metropolitan) — The Greens will support this bill.

Mr DRUM (Northern Victoria) — The Nationals will not be opposing the Land (Revocation of Reservations) Bill. We are supportive of the legislation because the respective councils that work within these jurisdictions have all signed off on it. Mr Guy has succinctly slipped through summaries of each of the four parcels of land in question.

The first parcel of land is that at Lake Condah. The Gunditjmara people have had a claim on this land since 1996, and while it has taken seven years to settle that claim, the Gunditjmara people were able to effectively demonstrate that they had a long-term association with the land around Lake Condah. As we know, it is absolutely necessary before any group is granted native title to provide evidence of a long-term association with that land.

This particular case went through the Federal Court, and the evidence of the existence of a long-term association was able to be proven and sustained. The evidence took the form of some stone huts that were on the site and some fish and eel traps that were used not only to feed their own people but also for commercial sales which they were able to use to better their lives at that stage. It was a very profound and unique situation for Victorians that it was possible to retrace the cultural activities of the Gunditjmara people back well into the 1800s — I think the placement of this initial reservation on the land dates back to 1881.

The lake was drained in the 1950s and only one or two graziers have been using that land since then. Those licences are about to expire, and those graziers are quite understanding of the fact that the licences will not be renewed. There has been a Church of England mission on the site. That was used in days gone by to house the Gunditjmara people. That mission closed back in the early 1900s, and whilst a few of the people stayed and settled in the area, some of the land was divided up and settled as soldier settlements. We understand the Aboriginal people were unable to purchase those soldier settlement lots. This legislation has the support of the Glenelg shire, obviously the Gunditjmara people and also the state government, so The Nationals will be supporting the revocation of that land reservation.

The South Melbourne parcel of land at 237 Cecil Street is the site of a former Roman Catholic asylum. It is better known as St Vincent's boys home, and there has been a permanent reservation over that land for many years. This bill will remove the reservation to allow for the renovation of that property and buildings, which I understand at the moment house the finance ministry, WorkCover and Transport Accident Commission offices. Some of the other buildings that are excess to

the needs of those agencies will be sold and/or transferred. Again, The Nationals have no issues about the revocation of that reservation.

The third parcel of land, at Beechworth, is an old hospital site. A reservation was put over that land for benevolent asylum purposes back in November 1865. The reservation will now be removed and the Indigo shire is looking forward to rezoning that land, which will hopefully be used either for a learning facility through La Trobe University or for shire offices, to expand and create the office space the shire needs there.

The fourth site, in Daylesford, was also reserved as an asylum, in this case in October 1887, and whilst there is an historic building on the site, which was an old mill residence, these buildings are in a derelict state at the moment. The committee of management that is in place to look after them simply does not have the finances for their upkeep. So by having this reservation removed, hopefully we will be able to consolidate the land with some freehold land, and those funds will be able to be added to some aged-care facilities in that region. I hope the Department of Human Services will be able to establish new facilities that will be of benefit to the community.

In all these areas local government has given its tick of approval. The Nationals have spoken to each of those councils, the relevant authorities that have been managing these areas and the people that have claims over the areas, and we are supportive of the fact that these reservations will now be revoked as this legislation goes through, because it seems that each of these opportunities will create a win-win situation for the local communities.

Mr TEE (Eastern Metropolitan) — There appears to be furious agreement on all aspects of this bill, including the need for brevity, so I propose not to deal with each of the four parcels of land which have been identified and which have been accurately described by other speakers. I want to confine my remarks to part of the bill that deals with the Lake Condah land; that is both significant and pleasing. It is pleasing in that it relates to the revocation of a permanent reservation at the lake, and this revocation is significant because it is part of the settlement of a native title claim between the state of Victoria and the Gunditjmarra people.

This is the second successful negotiation of a native title claim in Victoria. By way of background, the bed and banks of Lake Condah were reserved for public purposes in 1881, and this bill will revoke that part of the reservation to allow for the granting of the land to the Gunditjmarra people. The 244 hectares of the lake

are affected by this bill. That is a small portion of the 140 000 hectares of land to which native title has been granted. This land includes state forests, national parks, recreational reserves, river frontages and indeed coastal foreshores. These are non-exclusive native title rights: rights to enter and remain on the land, rights to camp, use resources and protect areas of importance.

After a number of years this claim was brought to the Federal Court, where there has been some three years of intensive mediation. Evidence was brought to the Federal Court, including evidence that the Gunditjmarra people have been associated with the area for many thousands of years. The evidence included stone houses, stone fish traps and other water management devices which had been preserved and which can still be observed on the bed of the lake.

The native title claim will allow the Gunditjmarra to continue to care for the country through environmental research and restoration, cultural heritage management and the continuation of traditional customs. It means that the Gunditjmarra will have a say about developments planned for Crown land. They will have an opportunity to work with the government and with the local communities to protect the country and ensure that we all continue to enjoy and benefit from the country.

Initiatives such as these are small but tangible steps towards recovering from 200 years of injustice. This is a small but tangible step on the road to recovery for the Gunditjmarra people. I commend the bill to the house.

Ms PULFORD (Western Victoria) — There are four individual transfers of land in this bill, and each of them has important significance in their local areas. This evening I will be commenting only on the land transfer of the Lake Condah reserve and surrounds to the Gunditjmarra people of south-west Victoria. The revocation is part of an historic and just native title settlement decision handed down by the Federal Court in March this year at Mount Eccles National Park. This legislation is necessary for the completion of the native title settlement.

The state government worked hard with the Gunditjmarra and various stakeholders to find a solution that would see land in areas they had inhabited for thousands of years before European settlement, and that had not been extinguished from native title, put back into Gunditjmarra control. The date 30 March of this year was a proud day for the Gunditjmarra, who had been fighting through the courts since 1996 to earn native title rights in south-west Victoria. The native title decision had the support of the state government, the

federal government, the local councils on which the land lay and all the stakeholders who were consulted on the issue.

It was only the second successful native title claim in Victoria since the landmark act came into being in 1993, and it recognises the remaining evidence of indigenous life in the area — stone dwellings, evidence of indigenous aquaculture, fish traps and other signs of permanent pre-European settlement. That native title settlement and now this revocation, which is a formalised transfer to the Gunditjmarra, shows the determination and efforts of the state government to the Aboriginal reconciliation cause.

I am very proud that this bill will give this group of our country's first people back what had been so cruelly and thoughtlessly taken from them more than a century ago. I am very proud that this bill ensures that indigenous communities are given rights and responsibilities over significant land from their past while not disrupting the families and businesses that have subsequently settled on those lands.

Native title is not an all-or-nothing approach. Mabo, Wik and now this bill prove that. Large tracts of settled property is not a part of this land transfer. This is about compromise and recognition above all else and showing that past disgraces can be recognised and atoned for without creating chaos.

In 2004 the then environment minister, John Thwaites, and then Aboriginal affairs minister, Gavin Jennings, visited Lake Condah to announce support for the Lake Condah water restoration project, which, amongst other things, is working to improve the environmental flow of Darlots Creek and improve the eel habitat in the Darlots system.

Two weeks ago I met with Dr Heather Builth to discuss the findings of her research which demonstrate the cultural significance of Lake Condah to the Gunditjmarra people. Dr Builth's decade-long research found that the Gunditjmarra people permanently settled in the Lake Condah area. They not only developed a system of lava flows and rocks to trap eels but they also smoked the eels using the oil from blackwood trees and used them for trading and creating an economy with other indigenous groups. This research shows that the Gunditjmarra people were one of the most sophisticated civilisations of their time.

The Gunditjmarra story in the Lake Condah area is a long and interesting one which has more than its fair share of European wrongs which cannot be righted. In the late 1800s missionaries sought to instil Christianity

and European values, and a property was set up which saw the indigenous population treated extremely poorly, including the expulsion of mixed race people from the mission until its closure in 1919. But the Gunditjmarra people stayed on at the mission until the 1950s, when St Mary's Church and the houses were destroyed. Despite this, the indigenous population remained to fight for the protection of their cultural heritage until the mission lands were returned to them in 1987.

Unlike Dr Denis Napthine, the member for South-West Coast in the other place, who in his comments in supporting this bill alluded to the fact that he had concerns about the south-west indigenous community's capacity to manage the land, I have confidence that the Gunditj Mirring Traditional Owners Aboriginal Corporation is well equipped to manage Lake Condah reserve, and this government will be here to provide additional support if required. I am glad this bill has bipartisan support, and I fully commend it.

Mr THORNLEY (Southern Metropolitan) — I also rise to support the bill. Like other speakers, I will focus my attention, since a very capable and comprehensive job has been done by all speakers, starting with Mr Guy, on a particular piece of land — in this case the Cecil Street, South Melbourne parcel. My colleagues Ms Pulford and Mr Tee have already spoken at length and thoughtfully about the very important native title claims at Lake Condah.

Mrs Peulich interjected.

Mr THORNLEY — I thank the honourable member for her interjection. I will take it up because the interesting and newsworthy thing about the Cecil Street, South Melbourne, site is that it is in the state seat of Albert Park, and I want to take this opportunity to congratulate Mr Martin Foley, who is about to be the new member for Albert Park in the other place. I had the privilege and pleasure of joining him on the campaign trail for a number of hours over the last few weeks speaking to many voters and was very pleased to see —

The PRESIDENT — Order! I remind the member about relevance.

Mr THORNLEY — Thank you, President. I was just taking up the interjection from the member, but I will try to take up only relevant interjections in future. I congratulate Mr Foley.

This South Melbourne site is about 8000 square metres — quite a significant site given its proximity to the city. It is a good example of the sorts of transactions

that need to be undertaken from time to time. Some of those transactions need legislative answers, given the original conditions under which the land was alienated or reserved, and this is one of those. In this instance the Premier, the Roman Catholic Trusts Corporation and MacKillop Family Services together have reached an understanding on a sensible transaction that is going to see a much more optimal allocation of items on the balance sheet.

The former St Vincent's Boys Home currently occupies the site, but it is difficult for the RCTC to invest with confidence in improving and fixing the site when it does not ultimately have tenure over it. There have been sensible negotiations and discussions that will enable that 119-year-old standing reservation to be set aside through this legislation. That will enable the RCTC to invest with some certainty and to finance that investment. I suspect that is often the case with these things. It certainly was the case in a number of other transactions I have been working on over the last few months with constituent groups in similar circumstances. Thankfully those transactions will not require legislative support.

We are undertaking with the RCTC an exchange of this site for some other assets so that the state's interests will be kept whole, so that the RCTC can move forward and improve these assets and so that the public balance sheet will remain intact and be more optimally allocated to other assets elsewhere. This is exactly the sort of thing that we should be proud of. It needs to move quickly, and I am very grateful that all parties have seemed to support this part of the bill, as indeed they have others. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

Mr JENNINGS (Minister for Environment and Climate Change) — It is with great pleasure as the incoming minister responsible for lands to move, by leave:

That the bill be now read a third time.

In doing so I thank members for their contributions and congratulate the Gunditjmarra people.

Motion agreed to.

Read third time.

ADJOURNMENT

Mr JENNINGS (Minister for Environment and Climate Change) — I move:

That the house do now adjourn.

Planning: Emerald-Gembrook-Cockatoo land

Mr O'DONOHUE (Eastern Victoria) — My adjournment matter this evening is for the Minister for Planning. It relates to some land-use issues in the Emerald-Gembrook-Cockatoo area — the hills area. The first issue relates to a decision by VCAT (Victorian Civil and Administrative Tribunal) to grant a permit for a four-storey restaurant and apartment complex in Emerald, a complex that will have 18 serviced apartments, a licensed restaurant, medical offices and parking — a complex that was opposed by the local community and over which the council received 57 objections. Local ward councillor Ed Chatwin was quoted as saying:

It is very sad for the town that the tribunal paid little attention to the council as the responsible authority and the objectors. I am incredibly disappointed.

The second land use issue in that area relates to potato farmers in Gembrook, who face a precarious future. Many of their farms are on green wedge land and many of them are affected by a disease that affects potatoes, making the long-term viability of their farms, as I say, precarious at best. Unfortunately, because these farms are in the green wedge, their ability to develop their land or use it for alternate purposes is extremely limited. The farmers are stuck in a position where their farms are not saleable because they are no longer economically viable, for a range of reasons, but they cannot develop alternate uses for the land because, as I said, they are in a green wedge zone.

From my research it appears that the community would support some form of low-density residential or other limited development for these farms because many of them are near or adjacent to existing urban areas, but that is not permitted under the current planning scheme — that is, the current Melbourne 2030 guidelines. Paradoxically the four-storey apartment development is permitted under the Melbourne 2030 strategy but my research shows it is very much against the community's wishes.

So we have a situation here where it would appear that one size does not fit all, and 2030 is not delivering outcomes in the hills area — the Emerald-Gembrook-Cockatoo area — that reflect the community's desires and the community's

expectations. Therefore the action I seek from the Minister for Planning is to direct the Melbourne 2030 audit group to investigate this situation, specifically to investigate the land zonings in this area, with a view to those zonings and land uses being changed to more adequately reflect the wishes and expectations of those communities.

Water: community gardens

Ms HARTLAND (Western Metropolitan) — My adjournment matter tonight is for the Minister for Water in the other place. A survey from 2006 by community garden group Cultivating Communities identified that Victoria has 77 community gardens — this does not include various school kitchen gardens. Cultivating Communities is a fantastic group that I have had a lot to do with in my time working in high-rise flats. It manages 20 community gardens and 763 individual plots. Five hundred and seventeen of its plot-holders come from a non-English speaking background, mostly living in public housing estates, and most are aged over 55. The amount of produce varies, with some families being able to be self-sufficient for periods of the entire year.

Water use in the gardens is at worst comparable to that of farmers; in many cases it may be more efficient, with the use of hand-held spray nozzles and mulching techniques. Some gardens have water tanks; however, most are not able to harvest required water due to the lack of roof space available. Unlike home gardeners, who are able to harvest water from showers to use in their gardens, this is not an option for many community gardeners as most live away from their garden area. What will happen to those gardeners if stage 4 water restrictions are introduced? Stage 4 restrictions forbid any watering of commercial or residential gardens, and therefore would mean the end of local food production in community gardens.

I support water restrictions, but I think we need to consider water as a whole to avoid making decisions based on false economy. If community gardeners are unable to grow their own food, what will they do? They are likely to be using cars, driving to supermarkets and buying fruit and vegetables in place of those they had previously been growing. I urge the minister to reconsider stage 4 for community gardens, considering the amount of food production they are able to undertake.

I request that the following be adopted: that watering of food gardens be allowed for a minimum of 6 hours per week with set days and times, that funding be made available for water harvesting and saving the

community gardens and that a task force be set up to explore the options for Victoria around urban agriculture with a view to the government formulating supportive policies.

Wind energy: development

Ms PULFORD (Western Victoria) — My adjournment matter this evening is for the Minister for Energy and Resources in the other place, Peter Batchelor. The Labor government's support for the renewable energy industry is well known. As members are aware, the Bracks government introduced the Victorian renewable energy target (VRET) which mandates that Victoria's consumption of electricity generated from renewable sources should be increased to 10 per cent by 2016.

The wind farm industry in particular has responded to VRET with great enthusiasm. Wind farms will play an important role in ensuring we meet these targets. They are an important source of energy generation in what will very soon be a carbon constrained world. Victoria is fortunate to have world-class wind resources. The state currently has 134 megawatts of installed wind generation capacity with more in the pipeline, all thanks to VRET.

Western Victoria is home to quite a number of these developments and while residents are generally supportive of the promotion of clean energy and the creation of local jobs, wind farms attract a great deal of interest, and people like to be informed about proposals in their area.

The action I seek is that the Minister for Energy and Resources keep the public informed about the progress of wind farm development in this state, including proposed locations, details as to where proposals are at throughout the planning process, and information about the size of each development.

Lynbrook Village: Metcard agency

Mrs PEULICH (South Eastern Metropolitan) — I raise a matter for the attention of the Minister for Public Transport in another place, Ms Kosky, in relation to residents around the area of Lynbrook Village shopping centre in the Legislative Assembly electorate of Lyndhurst not being able to conveniently access or purchase a Metcard ticket for travel on public transport.

That particular village has a new shopping centre which is only six months old. The complex consists of about 30 retail outlets, including a very large Coles supermarket, and is really the hub of the local community. There are some 4000 homes in the vicinity

and approximately 4000 more will be constructed in the next few years. The site is only about 500 metres from the proposed Lynbrook railway station on the Cranbourne railway line, which, of course, has been deferred in the government's transport plan but really needs to be brought forward.

Buses run along the South Gippsland Highway, which is immediately to the front of the shopping centre. A number of people have approached my office expressing their wish that I make representations to the minister about the need to source a venue to sell Metcards. I understand some approaches have been made by Lynbrook Village News and Lotto, which has also contacted Metlink in relation to this matter. Metlink have advised it will not be finding a new venue, despite the fact that the closest one is in excess of 3 kilometres away and contradicts all of Metlink's recent advertising which promotes pre-purchasing of tickets in order to avoid delays, stock outages and being fined for travelling without a ticket. Clearly that is an issue, especially for students.

I understand the reason why it is not sourcing new venues to sell tickets is because of the introduction of a new system, which I understand has now been delayed until late 2008. There is clearly in excess of 12 months to go and I believe that the minister should find a convenient and appropriate venue from which Metcards could be purchased. Perhaps this hub of retail outlets would be a suitable venue, and I urge the minister to do this in order to make it more convenient for people to travel and use our public transport and also avoid the prospect of being caught without a ticket.

Sandringham: beach renourishment

Ms PENNICUIK (Southern Metropolitan) — My adjournment matter is for the Minister for Environment and Climate Change. The Sandringham foreshore has been experiencing substantial erosion over the past three decades. The situation now is that the beaches between Red Bluff and Picnic Point are narrower and less elevated than in the past and less able to act as a buffer to the adjoining cliffs.

I understand that similar beach erosion exists in the north of Hampton, and in the midst of these beaches is the Sandringham harbour and breakwater, which has, perhaps unsurprisingly, a problem of siltation — that is, too much sand. Running along the top of these cliffs is a section of Beach Road that could be at some future risk should part of these cliffs collapse.

Groynes have been constructed at Royal Avenue and Southey Street in an endeavour to hold the remaining

sand in place. These engineered solutions appear to have worsened the situation and planned beach sand renourishment has not occurred. This issue has been raised with me by two local groups: the Sandringham foreshore group and the Black Rock and Sandringham Conservation Association; and the Bayside City Council.

All are concerned about the problem on the Sandringham foreshore although there may not be total agreement as to what to do about it. I feel that in order to achieve a sustainable solution, the area from the Sandringham Yacht Club to the Red Bluff cliffs should be considered as a whole, that piecemeal solutions which create more problems be avoided and alternatives be investigated.

As a result of a resolution, Bayside council wrote to the then environment minister, John Thwaites, on 26 April and to Minister Jennings on 14 August, requesting a meeting, among other things, to:

... seek advice on a timetable for the remainder of the project (beach renourishment south of the new groyne);

represent community concern about the impacts of the new groyne in terms of both erosion to the north and visually;

...

urge that planning for future projects in the area (including any further works to mitigate the immediate effects to the north) to consider the visual amenity of the entire coast between Picnic Point and Red Bluff.

The action I seek is for the minister to respond to the council's request for a meeting, and that he should convene that meeting as soon as possible. This meeting should include the local groups that have been campaigning on the issue and an independent expert who has written a report on the impacts of the remediation works carried out so far.

Water: farm dams

Mr VOGELS (Western Victoria) — I raise an issue for the Minister for Water in the other place, the Honourable Tim Holding. It concerns the failure of the farm dams legislation south of the Great Dividing Range. Following years of below-average rainfall farmers south of the Divide have found that dams are empty, forcing them to spend thousands of dollars carting town water supplies to enable them to water their stock, et cetera.

The first hurdle comes with the definition of a 'waterway'. If a dam is to be built where it can actually catch water following rain, it obviously needs to be on a waterway. This starts a process of bureaucratic red tape,

which usually means the water is long gone if and when approval may or may not be given. I will give an example south of the Divide which relates to Southern Rural Water.

Southern Rural Water refers applications to the Department of Sustainability and Environment, the local catchment management authority, the local shire, the local urban water authority and the local indigenous groups, and a proposal may be advertised on at least two occasions in a newspaper that is circulated in the general area. Depending on the level of public interest, there may also be a need to arrange a public meeting or meetings to ensure the local community has the full opportunity to comment on the application. The application process also requires the applicant to provide notification to their neighbouring property owners or occupiers immediately upstream or downstream within 2 kilometres and so on. Southern Rural Water has told proponents:

It is very clear that the current government's policy does not endorse the construction of dams on waterways, which is also evident after discussions with Corangamite CMA —

catchment management authority —

As dams are designed to harvest and store water, the flow of water will be impeded in some manner, even if the water ultimately flows into the sea.

Well, hello! If you are going to build a dam on a farm and you want get some water in it, you have to put it on a waterway. If you are not allowed to put it on a waterway, obviously you are not going to get any water when it rains.

The action I seek from the minister is to streamline the process of farm dam permit approval. It needs to be simple, fast and inexpensive to encourage farmers to do it. Farmers need the capacity to store enough water to make them drought proof for two or three years. For those without access to a creek to pump water from during the winter months the dam location is critical — and it needs to be a strategic decision. Governments should be encouraging farmers to be self-sufficient, as they do with urban dwellers, for whom they subsidise water tanks. There is only a small window of opportunity when a farm dam can be constructed, and that is usually in the autumn. Without water security there will be no agricultural industry.

**Victorian Environmental Assessment Council:
river red gum forests report**

Mr DRUM (Northern Victoria) — My adjournment matter is for the Minister for Environment and Climate Change and has to do with the recent report that was

put out by the Victorian Environmental Assessment Council (VEAC) inquiry into the river red gum areas to the north of our state. As we know, the area south of Mildura along the river to just downstream of Wodonga is likely to be impacted upon if this report is adopted by the government. We know there are also many other areas off the river around the Kerang region that are also going to be impacted upon if these areas are locked up and declared as national parks.

If this report is acted upon, it will have the potential to impact on a large array of people who enjoy camping in these forests. Also the fishermen who frequent the river will obviously have their ability to camp at the location of their choice greatly diminished, and horseriding will become a restricted activity. Timber harvesting will be cut by 90 per cent, as will firewood collection. Some of these areas are going to be heavily impacted on. Duck hunters are going to have 23 of their sites wiped out. So many of the activities that the locals in those regions have taken for granted over the years are effectively going to be wiped out if these recommendations are adopted.

We know we would lose over 120 jobs. The areas of Picola, Nathalia and Koondrook will effectively bear the brunt of the pain, while the people of Melbourne are likely to be the only beneficiaries. I still cannot quite work out how the people of Melbourne have adjudged that these benefits will have a value of some \$93 million.

Some public meetings in Bendigo have been called for tomorrow, but the public has not been made aware of this. I only found out through some people ringing me today. We checked the media reports of the last week, but we could find any record of it. I call on the minister to do an audit of all the public meetings advertisements to check that adequate notice has been given to members of the public who may be interested in attending these meetings.

I call on the minister to also change the format of these meetings, as any meeting with an individual VEAC officer does not give members of the public the opportunity to discuss their grievances in a public forum, as they would expect. As the minister may be aware, when people turn up to these public meetings they do not get a public hearing; they get a hearing with an individual officer on a one-on-one basis. It makes some of these people feel very uncomfortable.

Environment: Hoddles Creek land

Mrs COOTE (Southern Metropolitan) — My adjournment matter tonight is for the Minister for

Environment and Climate Change, Gavin Jennings. It is to do with an issue of process that has been of grave concern to a number of people. It concerns the Hoddles Creek education area and an investigation into the events surrounding the inclusion of implementation priority no. 11 in the recreation framework for Bunyip land in May 2006. This is an ongoing issue concerning land availability for four-wheel drive vehicles — namely, an application by the four-wheel drive association to be able to use this parcel of land for education for four-wheel drivers. This is a tension point around community use of public land. The four-wheel drive association was very keen to have an education facility, but the Friends of Hoddles Creek, a number of private individuals who use this area and part of the community were extremely concerned about this. They were very concerned about the way the entire process unfolded.

I have received a number of letters, including one from Laurence Gaffney and one from Jennifer Seabrook. Laurence Gaffney said:

... the community local to the Hoddles Creek education area deserves a full, open and independent investigation and report into the specific circumstances surrounding the generation of implementation priority no. 11 in the recreation framework for Bunyip public land — May 2006. This will enable all parties to understand how this situation came about and would go some way towards preventing similar failures in the future.

Some of the issues they were concerned about include the process, as I said before. A priority in the recreation framework was signed by Minister Thwaites in May 2006. Then there was a withdrawal of implementation priority no. 11 in March 2007, which also required ministerial sanction. Then the serious errors of fact that were referred to by Mr Gaffney in his letter were issued from the minister's office. So we are starting to see a pattern of the minister and the minister's office doing self-examination. Someone replied from the minister's office basically saying it had received the letters, but Mr Gaffney does not believe anything has actually happened.

Jennifer Seabrook, who is from the Friends of Hoddles Creek, said the groups involved are attempting to overturn the decision and support Mr Gaffney's persistence in seeking a full, accurate and truthful explanation of how this happened, apparently without any involvement of the committee which was established to develop the framework and with no consultation with the local community. On behalf of the Friends of Hoddles Creek and the community of Hoddles Creek I urge the minister to evaluate the process to ensure it is not repeated elsewhere in the

state and to write a letter of apology to Hoddles Creek — —

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

Responses

Mr JENNINGS (Minister for Environment and Climate Change) — President, thank you for the opportunity to respond to the following members. I will take your guidance and leadership and try to be as succinct as I possibly can be.

Mr O'Donohue raised a matter for the Minister for Planning seeking that the minister alter the urban growth boundary so that more than potatoes can be in the wedges!

Colleen Hartland raised a matter for the attention of the Minister for Water in the other place seeking his support to provide a water allocation for collective food gardens, particularly within the urban regions.

Jaala Pulford raised a matter for the attention of the Minister for Energy and Resources in the other place seeking that he provide the community with information regarding renewable energy generation in the state.

Mrs Peulich raised a matter for the Minister for Public Transport in the other place, seeking more venues to provide Metcards in the Lyndhurst region.

Mr Vogels raised a matter for the Minister for Water in the other house, asking him to streamline dam approvals.

Ms Pennicuik raised a matter for my attention and consideration, and referred to a letter that I had received from Bayside City Council and approaches made to her by some constituents in and around Sandringham, seeking resolution of beach renourishment programs to the satisfaction of the local community. I have actually responded to the piece of correspondence that she has referred to in which, from memory, I outlined the timetable for that renourishment to be undertaken. She acknowledged that there are some contested views about the most effective way in which this program could be undertaken, so I am on notice; hopefully I will watch the successful completion of that work.

Mr Drum raised a matter for my attention, asking me to provide direction to the Victorian Environmental Assessment Council to ensure that it engages in a fulsome way with the local community. From my understanding, the meetings are reasonably well

advertised and certainly well attended. Mr Drum and I shared in a commentary in Parliament a couple of weeks ago that over 500 people were at a meeting that the Victorian Environmental Assessment Council had convened at Nathalia, so that was known about. I certainly know from my reporting for VEAC that the meetings are quite volatile and people are expressing their points of view quite passionately. I will have a look at the most effective way in which that can be done in the future.

Mrs Coote raised a matter for my attention relating to a process that was very esoteric from my understanding of it. It was so esoteric that this is one of the very rare occasions on which I cannot volunteer an answer to the chamber. I am happy to take advice on the matter.

The PRESIDENT — Order! The house is now adjourned.

House adjourned 10.14 p.m.

