

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

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

Tuesday, 30 October 2007

(Extract from book 15)

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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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Legislation Committee — Mr Atkinson, Ms Broad, Mrs Coote, Mr Drum, Ms Mikakos, Ms Pennicuik and Ms Pulford.

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 Thornley.

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

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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.

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

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

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

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FIFTY-SIXTH PARLIAMENT — FIRST SESSION

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Tuesday, 30 October 2007

The PRESIDENT (Hon. R. F. Smith) took the chair at 2.04 p.m. and read the prayer.

ROYAL ASSENT

Message read advising royal assent on 17 October to:

**Firearms Amendment Act
Fisheries Amendment Act
Justice and Road Legislation Amendment (Law Enforcement) Act
Justice Legislation Amendment Act.**

GOVERNOR'S SPEECH

Address-in-reply

The PRESIDENT — Order! The Office of the Governor has advised that the Governor will be pleased to receive the President and members of the Legislative Council at Government House on Wednesday, 31 October, at 10.30 a.m. for the presentation of the address-in-reply. I will be glad if as many members as possible accompany me at that time.

QUESTIONS WITHOUT NOTICE

Hon. T. C. Theophanous — On a point of order, President, I want to bring to your attention that during question time on Thursday, 11 October, David Davis, while asking a supplementary question, made a comment about me which I find highly offensive. The comment was not heard by me or by you, President, because of the inordinate amount of noise in the chamber. However, as you are aware, the proceedings are recorded through the microphone system and the comment appears clearly on the tape. I inquired of Hansard as to whether the comment was made, and I was informed that it can be heard clearly on the tape. Had the comment been heard by me or by you, President, I believe the member would have been asked to withdraw at the time.

I therefore want to bring the matter to your attention, firstly, in terms of examining how similar comments that may not be heard but somehow get recorded because of the microphone system, which is relatively new in this house, can be dealt with in future. Secondly, whilst I do not intend to repeat the comment, which appears at page 40 of *Daily Hansard*, I ask that you request of the member that he provide an unequivocal

withdrawal of the comment he made, which is highly offensive to me. Considering also that the report has cleared me, I believe that comment is not only offensive but is almost an abuse of the house.

The PRESIDENT — Order! In accordance with standing orders, I ask Mr Davis to withdraw the remark the minister takes offence to.

Mr D. Davis — On the point of order, President, I seek some clarification. I am not aware of which point the minister is directly referring to, and for me it would be a matter of not only seeing it but assuring myself that the *Hansard* record is as outlined.

Hon. T. C. Theophanous — Here is the record, and it is underlined.

The PRESIDENT — Order! That is not appropriate on the part of the minister. Whilst I understand that the minister may be in a state of, shall I say, raw emotion at the moment, I remind him that he should acknowledge the Chair. As I say, it is not appropriate for him to walk across the chamber and hand over the evidence et cetera. However, what the minister has done is give Mr Davis the copy of *Daily Hansard* he referred to.

Mr D. Davis — I have not read it yet, nor have I assured myself — —

The PRESIDENT — Order! I think it is reasonable for Mr Davis to know exactly what the minister takes offence to, so I will give him 20 or 30 seconds to read it.

Mr D. Davis — Can I assure myself about the record too?

The PRESIDENT — Order! About the — —

Mr D. Davis — I want to go and assure myself about the record as well.

The PRESIDENT — Order! That is the record.

Mr D. Davis — No, there may be some question about the tape. I am relying on the minister's assertion that the tape is — —

The PRESIDENT — Order! *Hansard* reflects the tape, so if it is in *Hansard* it is clearly on the tape. The fact is that it has been printed by Hansard. I am really saying to the member that he has no choice. I am asking him to comply with the standing orders and the customary practice of the house. The minister has taken offence to Mr Davis's remarks and Mr Davis is entitled to determine exactly what the minister believes is offensive, so Mr Davis should just read it.

Honourable members interjecting.

Mr D. Davis — In deference to the rules of the house, I withdraw.

Government: red tape initiative

Mr RICH-PHILLIPS (South Eastern Metropolitan) — My question is to the Treasurer. I refer to the Treasurer's red tape reduction booklet and his claim that the red tape impost on business will be cut by \$30 million this year. Is the Treasurer aware that his own Victorian Competition and Efficiency Commission report found that the regulatory burden on business increased by \$280 million last year?

Mr LENDERS (Treasurer) — I thank Mr Rich-Phillips for his question and his interest in *Reducing the Regulatory Burden*, because, quite frankly, this has been something that governments of all persuasions have neglected for the last 150 years. This government has actually put forward a program to reduce red tape. We have set forward targets to hold us by, where we reduce it by 15 per cent over three years and 25 per cent over five years.

As Mr Rich-Phillips will know from the booklet I presented at the VECCI (Victorian Employers Chamber of Commerce and Industry) conference, we have measured what we have done since we commenced this program, which has been to achieve in the order of \$34 million in reductions in regulatory burden and an increase of about \$5 million in regulatory burden. What we are seeking to do is have a net reduction, because in the end regulation is required for some of the social outcomes we seek. You need regulation in the transport accident scheme and the workers compensation scheme — you need it in a range of areas to address important issues that government wants addressed. But we are conscious that we need offsets.

I am proud of our record on this. We are the first government in Australia to do this. We think we can actually reduce the regulatory impact by about four-tenths of a per cent of GSP (gross state product). If the commonwealth actually matched our targets, it would taking another 0.6 per cent of GSP, so in Victoria there is probably about \$1.50 of regulatory burden from the commonwealth for every dollar there is from the states.

We have got a plan. Our plan is out there, and we will be measured against it. That is something that I as Treasurer look forward to, and I am sure the business community will hold us accountable for what we do in

the future, which we have asked to be measured against.

Supplementary question

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I note the Treasurer did not respond to the issue of the VCEC (Victorian Competition and Efficiency Commission) report, the independent assessment of which is that the annual burden of red tape by the state on business is \$1.7 billion, and I ask: why does the Treasurer's glossy booklet rely on an assessment that is \$700 million lower than that prepared by VCEC?

Mr LENDERS (Treasurer) — Mr Rich-Phillips pretends he does not understand things that he really does. He may convince some of his colleagues he does not understand, but I know he does understand. I invite Mr Rich-Phillips to read the whole booklet. If he actually reads the whole booklet, he will find some of the best practice in Denmark, in the Netherlands and in the United Kingdom. We have actually adopted the best worldwide practice on this, and that is the figure we are putting out.

I also invite Mr Rich-Phillips to look at some of the areas where we actually reduce the regulatory burden but do not measure it. For instance, electronic conveyancing has a minimum business impact upon the state — there are savings with electronic conveyancing — but there is a phenomenal consumer benefit above and beyond that of reduced costs which you actually do not measure.

We will be vigilant in reducing red tape, because red tape that has no purpose does nothing but strangle business, whereas decent regulation actually changes outcomes in society, and we will monitor that. Our target — and I invite Mr Rich-Phillips to hold me to this — is to reduce the regulatory burden by 15 per cent over three years and 25 per cent over five years. For Mr Rich-Phillips's benefit, that 15 per cent over three years is during the life of this government. He can hold me accountable, and I am happy to take questions from him every day that I can in this Parliament.

Bushfires: prevention

Mr LEANE (Eastern Metropolitan) — My question is to the Minister for Environment and Climate Change. Can the minister update the house on how the Brumby government has expanded its support for firefighting preparations?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Mr Leane for his question

and his concern about Victoria's capacity to fight the fires that may be imminent this summer.

I am pleased to report to the house that as recently as last week I joined the Premier, the Minister for Police and Emergency Services in the other house and representatives of our key firefighting agencies — Russell Rees from the CFA (Country Fire Authority), Ewan Waller from DSE (Department of Sustainability and Environment) and Tony Murphy from the Metropolitan Fire Brigade — in holding an event at the Blackburn Lake Sanctuary to indicate what the firefighting capacity of the Victorian community, supported by the Victorian government, will be this summer.

I am very pleased to say that the Premier highlighted at the time the increasing commitment of the Brumby government to ensuring that our emergency services capacity is thoroughly supported. I am advised that our emergency services budget is now in the order of \$538 million, which is an indication of the effort that we have devoted to this important endeavour. Last week we indicated that an additional \$27 million had been allocated specifically to our firefighting effort.

This is not the first time that I have reported to the house on our fire preparedness, but last week the Premier, the Minister for Police and Emergency Services and I were very happy to be joined by the leaders of our firefighting brigades, both the professional brigades and the coordinators of a significant volunteer effort. I am very pleased to say that the CFA effort of 59 000 volunteers is testimony to the contribution and commitment of members of our community to make sure that we stand up at a time of adversity and respond to an imminent crisis.

The government is also making sure that Victoria is well prepared and well geared up for this season. We anticipate that this will be a very precarious season, given the dry conditions of the Victorian landscape. Indeed we have drawn to the attention of the Victorian community that particular grasslands and crop areas throughout Victoria are very vulnerable because of the prevailing dry conditions, and even though there may have been some winter growth, the moisture will dry out very significantly when the hot weather kicks in and those areas will be particularly susceptible.

We also wanted to make sure that people who live on urban fringes, whether on the fringes of the Melbourne metropolitan area or on the fringes of provincial towns throughout Victoria, will be very much prepared to develop their own fire management plans and to ensure that they think through the issues of the interface

between the fantastic natural environment that surrounds them and these peri-urban areas, as I have heard my colleague the Minister for Planning refer them to on any number of occasions. In terms of the urban interface it is very important that members of our community are well prepared for a potential crisis that they may not think is a natural feature of the landscape. In times of climate change, with ongoing drought conditions, the capacity for bushfires and grass fires to take hold in and around urban areas is a very important contingency for all in our community to confront and be well prepared for.

As a result of the \$27 million allocation that was announced last week, 33 aircraft are on permanent stand-by use to be used as part of our firefighting effort and 81 large water tankers and 143 bulldozers are available. Those in our community who are well informed on this issue will understand that bulldozing and dry fire protection methods are a very important part of our firefighting effort. I may have inadvertently misled certain media outlets last week about the number of four-wheel drive slip-ons that were available to support our firefighting effort. In a moment of sheer enthusiasm I may have referred to 365 — I thought there was one for every day of the year — but indeed there are 351. I will try to find an additional 14 so that we can keep our average up. We have made a significant investment nonetheless to make sure that we have a flexible and responsive fire service that is well armed. All our DSE professional firefighting staff are well prepared. We are also recruiting an additional 400 firefighters in time for the fire season.

Since the last fire season we have undertaken 135 000 hectares of fuel reduction burning throughout the state of Victoria to try and reduce our firefighting load — 135 000 hectares of very significant investment. We have policies and procedures in place, we are supporting volunteers and we are supporting our professional firefighters. The Brumby government will stand by our firefighting agencies to ensure that we are well prepared and that we support communities in responding to the threat that may confront them this summer.

Questions interrupted.

DISTINGUISHED VISITOR

The PRESIDENT — Order! I wish to draw the attention of the house to the presence in the gallery of the Honourable Brian Mier, a former Minister for Consumer Affairs and former member of this Council.

Questions resumed.

Supplementary question

Government: red tape initiative

Mrs KRONBERG (Eastern Metropolitan) — My question is to the Minister for Planning. What specific red tape reductions is his department making towards the Treasurer's target of \$30 million for this year?

Hon. J. M. MADDEN (Minister for Planning) — I thank Mrs Kronberg for that question. I welcome that question. Mrs Kronberg may not be aware that prior to the last election Elaine Carbines, who was a member of this chamber, was involved in assisting the then planning minister in developing a *Cutting Red Tape in Planning* report in order to develop a range of initiatives for reducing red tape. I could spend a fair bit of time answering this question, and I am happy to do so, but I do not want to overdo it. I can say that because of that report many initiatives have been undertaken, and one in particular has seen the removal of 4000 unnecessary matters from those that require a planning permit. That is very significant, because what it means is that people do not need permits for the likes of cubbyhouses and some of those other items that may be described as rats-and-mice issues in the planning scheme. What that does in particular — —

Mr Atkinson interjected.

Hon. J. M. MADDEN — That may not seem to someone like Mr Atkinson to be a big deal, but let me tell you, President, that it is a big deal to local governments, because it means that the planning staff are not dealing with the small matters. They have the time to put their effort into the big matters, and that means we free up personnel, we free up resources and we get improved efficiency in the planning scheme.

Not only does that mean we do not have people doing the rats-and-mice stuff but it means they can invest their time and effort into the more productive areas and the more acute areas of planning that do require assessment, investigation and the writing of reports to local government so it can make well-informed decisions and make sure that the turnout and the turnover of that administrative work in relation to those planning applications is done in a more customer friendly way, a more productive way and a more efficient way. At the end of the day that cuts costs, and it cuts the holding time of developments. In the end it is better for the economy, it is better for the customer, it is better for the planning staff, it is better for local government and, in the overall scheme of things, it makes Victoria a better place to live, work and raise a family.

Mrs KRONBERG (Eastern Metropolitan) — Will the minister inform the house of the total cost to the Victorian economy of red tape imposed by his department, or doesn't he know?

The PRESIDENT — Order! On the supplementary question, the first part of Mrs Kronberg's question is fine; the second part, which relates to whether the minister knows something, is more about speculation, in my view. Certainly the first part of the question is in order.

Hon. J. M. MADDEN (Minister for Planning) — I welcome the member's question. If she wants to have a snipe or a backhander at the minister, I would not want to see the member stopped from doing that, but I am sure there is a more eloquent way to express it than 'doesn't he know?'. It is interesting, is it not, that one of the areas where there is a fairly significant amount of administrative implementation is in the planning system. There is no denying there is an extraordinary amount of paperwork involved in the planning system, and whilst we have to be very mindful that we do not overburden people — applicants, developers and stakeholders — with the administrative burden of the planning process, we do have to make sure that we have due process and that there are appropriate administrative arrangements and procedures in place to ensure that people get their say, and you cannot do that without some form of administration.

I suspect from the tone of some of the questions that come from the opposition from time to time that it would like to see an absolute free-for-all out in the community. I do not necessarily believe that that is what it is advocating, but you cannot reduce administration to the point where you have no administration in planning matters. Getting the balance right is particularly important.

I acknowledge Mrs Kronberg's question. We are doing whatever we can to improve the efficiency and effectiveness of the planning scheme, to reduce the administrative burden and, in particular, the cost, to make sure Victoria is a better place to do business, is better for all stakeholders and is a better place to live, work and raise a family.

Drought: government assistance

Ms PULFORD (Western Victoria) — My question is to the Minister for Environment and Climate Change. Can the minister inform the house how the Brumby government is supporting drought-affected

communities to work to maintain and restore natural assets?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Ms Pulford for her question and for her concern about members of the Victorian community who are subjected to the rigours of living in a climate change environment bedevilled by drought and the consequences that may have for farming communities, rural communities and people living on the land generally throughout Victoria. This is certainly something that permeates the width, the breadth and all of the dimensions of the Victorian landscape and communities right across Victoria. As members of this chamber would be thoroughly aware, increasingly a number of Victorian communities have been designated as being subjected to emergency conditions that require support from the state government and particularly from the commonwealth government.

I am pleased to report to the house that as recently as last week the Premier gave a significant undertaking on behalf of the Brumby government in relation to providing support to those communities. More than a total of \$100 million — I believe it was \$110 million — was allocated to specific programs designed to support communities at this current time of crisis.

The programs include a significant investment to try to provide fee relief for the irrigators and other people in the agricultural community who may not be receiving their entire water entitlement this year. Anybody who receives less than 40 per cent of their water entitlement will be able to receive some support in relation to subsidy relief for their water rates. Beyond this there are a number of community resilience programs. Those will try to shore up the productive capacity of agricultural land and the capacity of our farming communities to make a go of things in the drought-affected environment people find themselves in.

This is a significant investment in providing sporting opportunities for communities throughout Victoria in by making sure there is a program to replace grass in sporting facilities to ensure that communities stay strong and that community engagement is a feature of sporting life throughout Victoria.

The program that I have been most closely associated with is a \$10 million program that is designed to support those who undertake catchment management land protection activities. I am very pleased to see that the drought employment program builds on the very

successful model that the Brumby government committed to last year, when it was rolled out through and administered by 10 catchment management authorities.

Last year 1488 people went through that program. The funding stretches very wide to provide part-time employment to enable people who live and work on farms in farming communities to augment the income they can derive under their own steam to try to provide them with the opportunity to revive land values, undertake important conservation work, improve the resilience and agricultural capacity of their land, and hopefully — when the rains come — ensure that our lands are actually well maintained to enhance the potential of environmental flows running through those catchments.

There is significant money available within that \$10 million to ensure that appropriate stock containment activities are undertaken on private properties so that Victoria's agricultural capacity will be enhanced and maintained to the highest degree possible during the course of this time of drought, which is impacting upon the Victorian landscape.

The Brumby government is prepared to stand shoulder to shoulder with rural communities and to make sure we are engaged with those communities and responsive to their needs. The sum of in excess of \$100 million that was allocated as recently as last week is a demonstration of that. Our government will maintain a close interest in and engagement with Victorian communities to make sure we stay strong at a time of climate-induced difficulties.

Government: red tape initiative

Mr KOCH (Western Victoria) — My question is to the Minister for Environment and Climate Change. Is the minister aware of the cost to the Victorian economy of red tape imposed by his department?

Mr JENNINGS (Minister for Environment and Climate Change) — It is a very good thing that members of the opposition are on a theme today. It is very good that they have picked up a theme and are running with it. I am very pleased to say that it is one of the occasions where they are on message, are sticking to the message and are not cutting one another off below the knees. In fact they have a concerted strategy, so I say congratulations.

On behalf of the portfolios that I am responsible for, we are particularly mindful of the potential dampening down of economic activity through environmental

regulation. That is not to say we will desert the field of environmental regulation. We are very keen to ensure that we develop and maintain sustainable development principles in the state of Victoria and that we are alive to moving with the times in terms of regulatory controls and the appropriate engagement of regulatory regimes. In fact in previous sitting weeks I have referred to changes in the way in which we embark upon the regulatory environment in the Victorian community, which has been well received by industry.

Indeed during the last sitting week or the sitting week before that I talked about the industry greenhouse program, which is underpinned by regulation, now being extended into a regulatory regime where industry is encouraged to reduce its resource usage and is advised that by making investments in being more efficient in the way it uses energy and resources it can save money. Under that program 200 major companies throughout Victoria have reduced their energy usage by the equivalent of over 1.2 million tonnes of CO₂, leading to an annual saving in their cost structures of \$38 million.

I give that example to Mr Koch to show that sometimes regulation can be introduced and imposed in a way that will save money and may be well received by industry. In fact there may well be support from major industries in Victoria that are seeking a level playing field on regulatory control. In my time as minister for the environment industries have come to me to encourage me to increase the rate of regulation.

Mr Drum interjected.

Mr JENNINGS — Absolutely. Industry may not come to talk to Mr Drum, but they actually come to talk to me — and they are interested in a level playing field. They are interested in trying to drive innovation and the reform of a number of industrial practices that apply in Victoria. At the end of the day it is very important for a government to be respectful of its obligations, either under statute or in line with the expectations of members of our community, to protect environmental values and the opportunities that should be available for investment and to grow investment in the state of Victoria to ensure that there are jobs in our industries and that they are viable. That is the balancing act we undertake.

I am pleased and happy to indicate to the house that, in collaboration with the Department of Treasury and Finance, we have recently agreed to undertake a significant review of the regulatory burden that may apply within environmental areas and to make sure that we move in an appropriate sequence of levels of

agreement across government, with industry and with the community about the way in which we could revise the regulatory impact into the future.

Mr Atkinson interjected.

Mr JENNINGS — I think submissions might be coming to me after my having volunteered that this matter is being examined by Treasury and my office and the people who work for us.

We are very prepared to be progressive in trying to make sure that as much as possible we have common template regulatory regimes rather than the isolated regimes that might maintain artificial silos and duplication of administrative burden. We are trying as much as we can to reduce that over time, and we will be very happy to share with industry and with the community over time our understanding of where the regulatory structures may go in the future.

Supplementary question

Mr KOCH (Western Victoria) — I thank the minister for his very broad-spectrum response, but what specific red tape reductions is the minister's department making towards the Treasurer's targets of \$30 million this year?

Mr Lenders — We've done it. We've done the \$30 million.

Mr JENNINGS (Minister for Environment and Climate Change) — The Treasurer is pretty keen to jump to his feet and indicate that the \$30 million has already been achieved, and I will just echo that on his behalf. But beyond the echoing the important thing, and this is the nature of the question, is when we go forward. Indeed, as I have indicated to the house, we are engaging in that work. In fact the timing of the question is not bad, because between the last sitting week and this sitting week the Treasurer and I have reached that level of agreement about the work going forward, and we will be very happy to engage with the chamber and the community in the year ahead about where that review may take us.

Planning: government initiatives

Mr ELASMAR (Northern Metropolitan) — My question is to the Minister for Planning, the Honourable Justin Madden. Can the minister please update the house on how the Brumby government is making the planning system simpler, easier and more effective for local councils, the planning community and all Victorians?

Hon. J. M. MADDEN (Minister for Planning) — I welcome Mr Elasmars' interest in this matter, and I know it is of particular interest in his locality. It seems to me today that the theme of the chamber is around red tape. The opposition will be pleased to know that, as well as one or two initiatives in each portfolio, there is probably a raft of issues in each portfolio right across government.

The Brumby government is committed to continual improvement of the planning system. We are committed to listening to local communities, the planning profession and local governments to make even better the good planning system we already have. I take great delight in informing the house that I recently released a report entitled *Making Local Policy Stronger*, together with a five-point priority action plan that will see this government embark on one of the most important programs of planning reform in recent years. It will see the revision of residential zones to better implement local housing strategies. It will see the revision of the state planning policy framework to make it easier to apply.

The plan will involve the pilot of a restructured local planning policy framework to test options for a simplified and more effective local policy section, it will see new guidelines and procedures developed to make it easier to write, implement and review local policy and planning schemes, and it will see the establishment of a planning policy technical committee to provide strategic advice for the rollout of this overall program. This is all about making local policy stronger and giving more clarity in terms of the planning scheme to all the stakeholders. The Municipal Association of Victoria even described this most recent announcement as the most significant and positive change to the planning scheme in a decade.

The local policy report is our priority action plan, which was based on the Cutting Red Tape in Planning initiative that was announced in August last year. Mrs Kronberg has just asked about red tape, so I am happy to elaborate on it. The Cutting Red Tape in Planning initiative has already made a real difference to our planning system. For example, these are the areas where we are beginning to reduce red tape. The initiative has established an e-planning road map for online planning systems. It has reduced amendment time frames and the documentation associated with planning scheme amendments, and as I mentioned previously, the requirement to have a planning permit in respect of 4000 unnecessary matters annually.

When it comes to red tape we are doing our bit, and we are leading the way. We are making local policy

stronger, and the report was one of the recommendations delivered as action 10 in the *Cutting Red Tape in Planning* report. I would like to congratulate all the stakeholders who were involved in the working group for their collaborative efforts in writing this report. As a result of it we will see more clarity and have greater certainty and fewer disputes in the planning system. It will make Victoria an even better place to live, work and raise a family.

Financial services industry: government policy

Mr P. DAVIS (Eastern Victoria) — I direct my question without notice to the Treasurer. Industry submissions to the Economic Development and Infrastructure Committee inquiry into the financial services sector in Victoria have warned that growth in financial services is being frustrated by red tape and high taxes. According to the submissions, these factors put at risk the sector's continuing growth in Victoria. Given the considered statements of the financial services sector, how does the Treasurer explain the obvious gap between the volume of new legislation, which swells by an average 10 per cent a year, and the government's more modest objective to cut business regulation by just over 5 per cent a year?

Mr LENDERS (Treasurer) — Getting questions on red tape is like Christmas. Today the chamber has been speaking of red tape reductions, so I am smiling. I am a very happy Treasurer because the opposition is finally focusing on an issue which is of relevance to business in this state — that is, red tape.

Taking on Mr Davis's question in its several parts, firstly he talked about the financial services industry, and my ministerial colleague Mr Theophanous has got to restrain himself from leaping up and speaking on this one, because as Mr Theophanous and the house know — —

Hon. T. C. Theophanous interjected.

Mr LENDERS — Mr Theophanous is showing admirable restraint. As the house knows, under the Bracks and Brumby governments we are seeing a move to this state of financial services that were not seen here in the decade before. We are now seeing that the majority of our funds management and industry super funds management is in Victoria. We are seeing the headquarters of major banks located in Victoria.

If Philip Davis has not noticed, I advise him that his great factional leader and friend Mr Costello, the federal Treasurer, has actually directed that the Future

Fund be located here in Melbourne because Victoria is the centre or hub of the financial services industry.

Firstly, why is that happening? It is happening because this government has set the regulatory and tax system in place to encourage financial institutions to move into and operate in this state. As an encouragement we have reduced land tax, which is important for companies willing to invest in land. Stamp duty on property has been cut, as has motor vehicle duty and duty on non-residential leases; we led the way with the abolition of the financial institutions duty, the bank accounts debit tax, and we have reduced payroll tax.

Mrs Peulich interjected.

Mr LENDERS — I will take up Mrs Peulich's interjection. Come in spinner! She says, 'Tell us about land tax'. I will tell Mrs Peulich, through you, President, that former Premier Jeff Kennett increased the top rate of land tax from 3 per cent to 5 per cent. What has the Labor government done? It has reduced it from 5 per cent to 2.5 per cent. So Mrs Peulich might ask, 'What have you done about land tax?', but I remind her that the government she was part of, when she voted for the legislation as the then member for Bentleigh in the other place, increased the top rate from 3 per cent to 5 per cent, whereas this government has cut it from 5 per cent to 2.5 per cent.

We can talk about banks coming to this state, we see our large industry funds here, we see the Future Fund here — Mrs Peulich's factional colleague Mr Costello actually brought it to the state — we see a highly skilled workforce and we see the reduction of red tape.

Philip Davis asked about the reduction of red tape and about the burden it produces. I say to Philip Davis that no other state in Australia has set itself targets to reduce the regulatory burden. He should ask what the Victorian Employers Chamber of Commerce and Industry thinks of it, he should ask what the Australian Industry Group thinks of it and he should ask what the Victorian Farmers Federation thinks of it, if he is talking about what industry bodies think.

We have set a target of world best practice, and I would predict boldly that the other jurisdictions will follow Victoria's leadership because reducing red tape and encouraging businesses to come to this state creates jobs, which makes Victoria an even better place to live, work — even in the financial services sector — and raise a family.

Questions interrupted.

DISTINGUISHED VISITORS

The PRESIDENT — Order! It is my pleasure to inform the house that we have today in the gallery on a goodwill visit a delegation from Jiangsu, which is our sister province in the People's Republic of China, and in particular from the city of Yangzhou. Welcome.

Questions resumed.

Supplementary question

Mr P. DAVIS (Eastern Victoria) — In response to the Treasurer's answer to my question, I point out that the Department of Innovation, Industry and Regional Development acknowledges that the growth of the financial services sector is at risk and is preparing a new financial services strategy for the government. Further, the government has its own finance industry consultative committee under review and there is no evidence of the government's Reducing the Regulatory Burden program having achieved any positive result as yet. Therefore, what firm evidence can the Treasurer offer to support the contention that the burden of compliance and administration on business is not substantially heavier today than it was in 1999, and that it will be any less by the time the government reaches its first regulatory reduction target in 2009?

Mr LENDERS (Treasurer) — President, I am treading here on my colleague Mr Jennings's territory, and I will have to restrain his enthusiasm in a moment. Mr Davis asked what material evidence there is of reducing the burden — the bringing online electronically of land transactions, to name but one example. It is what happens in every single lawyer's office and mortgage broker's office and with every single person who actually processes or deals with the process of transferring land in this state.

Gone are the days when a bevy of people would go around doing quite often meaningless tasks in processing paperwork. Previously in Sale, Mr Davis's home town, if he had wished to purchase a house, paperwork would have come into an office in Sale, paperwork would have been bundled, paperwork would have been brought down to Melbourne, paper would have been stamped and paper would have been sent back again. What we have gone to here, and we are talking of the regulatory burden, is that now — tap, tap, tap, tap! — electronic signals send a lot of this information across.

Mr Davis asked what has happened to the regulatory burden. I say to Mr Davis that the Bracks and Brumby Labor governments have brought regulatory reduction

into the 21st century. Philip Davis may remember the job creation scheme of the Bolte government, where trucks came into Melbourne, paperwork was put onto the trucks in filing cabinets and baskets and was driven down to Moe to a typing pool — this was when Narracan was a marginal Liberal seat held by Jim Balfour — people typed the work and it was brought back again to Melbourne in trucks to be redistributed. That was regulatory burden. This government has brought in electronic transformation.

Honourable members interjecting.

Mr LENDERS — My colleague Mr Theophanous will have to be restrained again as information and communications technology minister, because we have led the way in reducing red tape, which is really good. What it means is less cost for business, less cost for consumers, and far more efficient and prompt government. This government has done its part to make Victoria a better place to live, work and raise a family, but there is more to be done. Hence we have set ourselves the target of reducing the regulatory burden by 15 per cent over three years and 25 per cent over five years.

I repeat to Philip Davis what I said to Mr Rich-Phillips earlier. The 15 per cent target comes before the end of this term of government. We are not afraid of our targets. We have set them and we will be judged by them. By reducing the regulatory burden through government action we will improve the gross state product by four-tenths of a per cent. If the commonwealth matched it, it would be one and a half times as much again.

Local government: activity centres

Mr TEE (Eastern Metropolitan) — My question is to the Minister for Planning. The minister has previously advised of Brumby government initiatives introduced to assist local councils implement their structure plans to better manage growth across Melbourne. Can he update the house on the progress of those initiatives in light of Melbourne's growth rate?

Hon. J. M. MADDEN (Minister for Planning) — I welcome Mr Tee's interest in this area. He has always been particularly interested in this area, and I know he is very effective in working with his local community on a number of fronts where we have high growth and high demand, particularly around these activity centres. I compliment the member on his interest and activity.

We live in one of the world's most livable cities. It is so because it has been planned and developed carefully, by

choice and not by chance. On the basis of the budget we have been able to secure funds to provide \$3 million for an expert assistance program to assist councils to effectively implement and drive growth and change in their metropolitan activity centres.

Mr Guy interjected.

Hon. J. M. MADDEN — I think I heard Mr Guy say 'What?'. I am happy to assist him, and I advise that in technical terms these are the commercial activity centres in local communities. These are areas where we can not only drive economic growth, jobs and prosperity but also provide housing choice and options. However, because of the demand, some of these local councils are pressured for resources. What the government is doing is marking a number of activity centres as priorities to make sure we assist the councils in the development work they are doing. I happy to name them: Chirnside Park, Coburg, Cranbourne, Knox Central, Moonee Ponds and Preston. Those activity centres will share in \$1.5 million. That will help councils to finalise and implement the structure plans for their local centres.

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! The minister does not need the assistance of members on my left in responding to the question.

Hon. J. M. MADDEN — Thank you very much for that clarification, Deputy President. I do not need their assistance at all, because when it comes to planning, if you do not have a plan, you are of no assistance to anybody. Can I just say, Deputy President, that this expert assistance program will support councils in a number of ways. It will provide specialist technical advice to help with those activity centres. It will assist councils to produce real and effective visible change in the public realm in a number of these areas so that people will be interested in investing more and seeing more activity taking place.

As well as that, it will provide advice and assistance to implement — I stress that it is not only to provide but also to implement — those structure plans and work with councils to identify blockages or gaps in the knowledge or expertise that is hindering the completion of structure plans.

I mentioned in my previous answer that we are clearing some of the rats and mice out of the planning system — —

Mrs Coote — Name them!

Hon. J. M. MADDEN — This is where the big stuff is, Mrs Coote. This is where the big stuff is that many councils need to address in applying resources. We are providing them with assistance to apply the resources as well as taking away the distractions of the rats and mice in the system. This will assist in a number of areas.

We are also encouraging other councils with priority activity centres to share in the next round of funding — another \$1.5 million — that is part of the overall \$3 million allocated for this program. We are investing in the planning system. We are making sure that development-ready metropolitan councils are supported so they can adjust to, assist in and bring about change where it is needed, particularly when it comes to the housing front and housing choice — —

Mrs Peulich interjected.

Hon. J. M. MADDEN — Mrs Peulich, where we can provide housing choice in particular, we can accommodate great demand for housing choice in the community. This is an investment in the future of Victoria. It is an investment in making Victoria a better place to live, work and raise a family.

Water: charges

Mr KAVANAGH (Western Victoria) — My question is for Mr Jennings, representing the Minister for Water in the other place. It relates to fees charged for the transfer of groundwater entitlements between bores, particularly in the area serviced by Goulburn-Murray Water.

Farmers in Newlyn and Blampied have informed me that the fee for processing applications to transfer water rights between different bores on their own properties have recently increased by several hundred per cent. The fee for transferring an amount over 2 megalitres and less than or equal to the licence entitlement of the recipient of the water is now \$220. If the amount is greater than their licensed entitlement, the fee is now \$555, with additional charges for volumes over 20 megalitres. This is around eight times higher than before the recent rise — an increase of about some 750 per cent, I think.

We all know that water is precious, that it must be managed prudently and that it is a resource we have to be very careful with. However, has the government or the authorities given proper consideration to the impost this represents on the livelihood of farmers and on their ability to produce the food that we all eat? Is this degree of increase really necessary?

The DEPUTY PRESIDENT — Order! It is a multipart question, and I am a little disturbed by that, but I will leave it to the minister to deal with the question.

Mr JENNINGS (Minister for Environment and Climate Change) — It is lucky, Deputy President, that I am answering it rather than you, by the sound of it. I am not quite as perplexed as you appear to be about it, nor as perplexed as the acting Minister for Water, who is sitting beside me, may have been if the question had been directed at him.

As a general rule, our government — as was demonstrated by my substantive answer earlier about the drought relief package — is very mindful of the nature of the stresses and strains that the Victorian community is under at a time of climate change and of the precarious nature of the community's water supply. As a general rule we are trying to do whatever we can to provide certainty and confidence about the availability of water now and into the future, and to do so in a way that is very cost effective and not an additional burden on the Victorian community.

In philosophical terms and in terms of the outcome that Mr Kavanagh is seeking by way of support, the government is very concerned to ensure that we provide equity and support, and that we provide certainty regarding the availability of water. Those are the general principles we try to apply so that our agricultural land can be productive and so that we achieve the outcome that Mr Kavanagh has put himself on the record as wanting to see us provide support for.

Beyond that, in terms of the specific factors that underpin the pricing mechanisms he has referred to, I am sure the Minister for Water would be very receptive to any advice that Mr Kavanagh or members of the community may provide about the appropriate equity that should underpin these structures and these arrangements so that we can apply, as much as possible, fair and equitable fees. As recently as last week our government committed to providing significant support, and subsidies are being provided to our agricultural communities to bring relief in times when they are not getting access to their water entitlements. We recognise that they are vulnerable because of that and that they are financially stretched, and we have responded in kind. As a general rule we will be very responsive to considering matters such as those raised with me today.

Beyond that, I am not able to give a specific answer about the fee structure, but I am happy to have conversations with the acting minister and the Minister

for Water in relation to equitable arrangements for fee structures.

Water: Wimmera–Mallee pipeline

Ms BROAD (Northern Victoria) — My question is to the Treasurer, John Lenders. Could the Treasurer please advise the house what the Brumby government is doing for farmers and communities in the north-western region of Victoria?

Mr LENDERS (Treasurer) — I thank Ms Broad for her question and her interest in what the Brumby government is doing for communities in north-western Victoria. I am delighted to announce that the Premier, along with the Minister for Regional and Rural Development in the other place, Jacinta Allan, today announced a further \$99 million towards the Wimmera–Mallee pipeline. For those who are not familiar with the Wimmera–Mallee pipeline — —

Mr P. Davis — Overdue!

Mr LENDERS — I will save my reply to the interjection of the Leader of the Opposition for later. For those who are not familiar with the Wimmera–Mallee pipeline, the headwaters of the Glenelg and Wimmera rivers are diverted after coming out of the Grampians to go north through the Wimmera and the Mallee to assist communities through farming and urban use. We have seen that more than 90 per cent of this water has been lost through evaporation, seepage and through other areas.

This great project that has been put in place by the state government, the commonwealth government and the local water authority is designed to deliver water through those communities. It is interesting that in a year of extreme water challenge we are seeing water starting to flow through supply system 1 of the pipeline, servicing the townships of Antwerp, Dimboola, Doon, Jeparit, Pimpinio, Rainbow, Tarranyurk and Yaapeet. So we are already seeing water coming through this pipeline. These are water savings resulting from an investment by two levels of government and the local community.

I might say that this investment by the state government and its partners was made before it was fashionable to talk about water savings.

Mr Koch interjected.

Mr LENDERS — Mr Koch says, ‘What rubbish!’. I invite Mr Koch to name a government, prior to the drought and prior to the effects of climate change becoming so obvious, that took as much of an interest

in this as this government. In 2002 the state Labor government established the Victorian water fund — the Our Water Our Future plan — before any other government in this country started on this. Today the Premier brought forward \$99 million to accelerate this project by two years.

Mr Drum interjected.

Mr LENDERS — Seeing Mr Drum is so happy interjecting, I invite him to speak to John Forrest, The Nationals federal member for Mallee, and get a similar commitment from the national government to bring forward its \$99 million for that community — and this is not an area where the Labor Party is chasing votes. We are talking about the electorates of Mallee and Murray; this is the most anti-Labor part of the country. The Brumby government is prepared to govern for the whole state, whether communities vote for it or not. I invite The Nationals, in their safest electorate in the country, to put in \$99 million to assist.

This pipeline will provide security to dryland farmers, businesses and communities. The state government has now committed \$266 million towards this program, which will replace 17 500 kilometres of open urban channels with 8800 kilometres of pipe. That will save 100 000 megalitres of water a year. As I said before, we have had losses of more than 90 per cent; this will get rid of those.

So far we have seen construction of 2082 kilometres of pipe. My invitation is to have Mr Drum take up with his federal colleague that the federal government match the \$99 million the state government has brought forward. I repeat that this is the safest Nationals electorate in the country, and the state Labor government is investing money in it. We invite the federal government to match us.

What we are seeing with the Wimmera–Mallee pipeline is that, as with all important water infrastructure projects, we need to invest in the infrastructure so we can deliver water savings — in this case, of 100 000 megalitres. That will be great for towns and farmers. That is what we are seeking to do. Again, I invite Mr Drum to get his Nationals colleague to match the \$99 million.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Treasurer) — I have answers to the following questions on notice: 367, 368, 436, 471–4, 491, 518–31, 536–40, 550, 552, 561–3, 567, 672, 677,

681, 692–702, 704–7, 717, 718, 768, 769, 785, 792, 797, 850, 852, 855, 856, 863, 880, 945, 954, 955.

PETITIONS

Following petitions presented to house:

Water: north–south pipeline

To the Legislative Council of Victoria:

This petition of citizens of the state of Victoria wishes to draw to the attention of the Legislative Council of Victoria the proposal to develop a water carrying pipeline which would take water from the Goulburn River and pump it to Melbourne.

The petitioners are opposed to the project on the basis that it will effectively transfer the region’s wealth to Melbourne, have a negative impact on local government and lead to further water being taken from the region in the future.

The petitioners commit to the principle that water savings which are made in the Murray–Darling Basin should remain in the basin.

Your petitioners therefore request that the state government abandons their proposal to pipe water from the Goulburn River to Melbourne and calls on the state government to address Melbourne’s water supply needs by investing in recycling, capturing stormwater drains and desalination.

By Mr DRUM (Northern Victoria) (68 signatures)

Laid on table.

Preschools: funding

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council that funding outside the guidelines ‘rural’ has been discontinued for both Lang Lang and Koo Wee Rup preschools, with funding to Bayles, Bunyip and Nar Nar Goon to be reviewed.

The state government’s decision to cut funding to both Lang Lang and Koo Wee Rup preschools has cost these kinders approximately \$400 per child and seriously affects the financial viability of these kinders.

Both Lang Lang and Koo Wee Rup are rural areas and the state government’s decision to classify these towns as metropolitan means that local families will suffer.

The petitioners therefore request that the state government of Victoria reinstate the rural classification to both Koo Wee Rup and Lang Lang and reinstate the necessary funding for kindergartens to operate in these towns.

The petitioners further request that the funding provided outside the guidelines ‘rural’ for Bayles, Bunyip and Nar Nar Goon be continued in 2008 and beyond.

By Mr O’DONOHUE (Eastern Victoria) (123 signatures)

Laid on table.

Nuclear energy: federal policy

To the Legislative Council of Victoria:

The petition of certain citizens of Victoria draws to the attention of the Legislative Council the commonwealth government’s promotion of a nuclear industry in Australia, and the strong likelihood that Victoria will be selected as a site for the construction of a nuclear power facility.

The petitioners therefore request that the Legislative Council of Victoria reaffirm the opposition of the Victorian government to the creation of a nuclear industry in Victoria, including the construction of a nuclear power plant.

By Ms MIKAKOS (Northern Metropolitan) (9 signatures)

Laid on table.

GAMING: PUBLIC LOTTERIES LICENCE

The Clerk — I lay on the table a letter from the Leader of the Government dated 12 October 2007 in response to the resolution of the Council of 10 October 2007 confirming the position of the executive government as expressed by the Attorney-General in his letter tabled on 9 October 2007 that the executive government on behalf of the Crown makes a claim of executive privilege in relation to each document that falls within the terms of the resolution of the Council of 19 September 2007. The Leader of the Government advises the Council that he is bound to act consistently with the claim of executive privilege and therefore the documents required by the resolution of 10 October 2007 have not been produced to the Legislative Council.

Ordered to be taken into consideration next day on motion of Mr P. DAVIS (Eastern Victoria).

Mr LENDERS (Treasurer) — I move, by leave:

That there be laid before this house a copy of the following documents:

- (1) invitation to apply document referred to in section 5.3.2A of the Gambling Regulation Act 2003;
- (2) gambling licences review, Office of Gambling and Racing, probity plan for the public lottery licensing application for a licence stage, 14 September 2007;
- (3) gambling licences review, Office of Gaming and Racing, *Application for a Public Lottery Licence — Communications Plan*, 23 May 2007;

- (4) final audit certification of the probity auditor, Pitcher Partners, 8 October 2007.
- (5) sign-offs of the marketing and financial advisers of the Lotteries Licence Review Steering Committee to the *Lotteries Licence Review Steering Committee Final Selection Report*: and
- (6) legal sign-off from the legal advisers to the gambling licences review and the Lotteries Licence Review Steering Committee in relation to the lotteries licence review, 4 October 2007.

I note that the Merkel report was tabled on the last sitting day of the Parliament.

Motion agreed to.

Laid on table.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Legislation Reform (Repeals No. 1) Bill

Mr EIDEH (Western Metropolitan) presented report, including appendices.

Laid on table.

Ordered to be printed.

Alert Digest No. 14

Mr EIDEH (Western Metropolitan) presented *Alert Digest No. 14* of 2007, including appendices.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Adult, Community and Further Education Board — Report, 2006–07.

Architects Registration Board of Victoria — Minister's report of receipt of 2006–07 report.

Commissioner for Law Enforcement Data Security — Report, 2006–07.

Crown Land (Reserves) Act 1978 — Minister's Order of 5 October 2007 giving approval to the granting of a lease at Mordialloc-Mentone Beach Park.

Dairy Food Safety Victoria — Minister's report of receipt of 2006–07 report.

Dandenong Development Board — Minister's report of receipt of 2006–07 report.

Energy Safe Victoria — Report, 2006–07.

Essential Services Commission — Report, 2006–07.

Fisheries Act 1995 — Report on the Disbursement of Recreational Fishing Licence Revenue from the Recreational Fishing Licence Trust Account, 2006–07.

Justice Department — Report, 2006–07.

Melbourne Market Authority — Report, 2006–07 (two papers).

Murray Valley Citrus Board — Minister's report of receipt of 2006–07 report.

Murray Valley Wine Grape Industry Development Committee — Minister's report of receipt of 2006–07 report.

Northern Victorian Fresh Tomato Industry Development Committee — Minister's report of receipt of 2006–07 report.

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

Ballarat Planning Scheme — Amendments C113 and C120.

Baw Baw Planning Scheme — Amendment C50.

Buloke Planning Scheme — Amendments C15 and C16.

Casey Planning Scheme — Amendment C98

Central Goldfields Planning Scheme — Amendment C17.

Darebin Planning Scheme — Amendments C10 Part 4 and C72.

Gannawarra Planning Scheme — Amendments C16 and C18.

Glen Eira Planning Scheme — Amendment C50.

Golden Plains Planning Scheme — Amendment C43.

Hepburn Planning Scheme — Amendments C44 and C45.

Loddon Planning Scheme — Amendment C17.

Melton Planning Scheme — Amendment C33.

Mildura Planning Scheme — Amendment C45.

Monash Planning Scheme — Amendment C68.

Moorabool Planning Scheme — Amendment C44.

Mornington Peninsula Planning Scheme — Amendment C78.

Mount Alexander Planning Scheme — Amendment C45.

Northern Grampians Planning Scheme — Amendment C23.

Swan Hill Planning Scheme — Amendments C21, C25, C26 and C28.

Wellington Planning Scheme — Amendment C49.

Whitehorse Planning Scheme — Amendment C67.

Whittlesea Planning Scheme — Amendment C81 Part 2.

Wodonga Planning Scheme — Amendments C34 and C52.

Yarriambiack Planning Scheme — Amendments C11 and C12.

Primary Industries Department — Report, 2006–07 (two papers).

Queen Victoria Women's Centre Trust — Report, 2006–07.

Racing Act 1958 — Constitution of Racing Victoria Limited.

Shrine of Remembrance Trustees — Report, 2006–07.

Small Business Commissioner — Report, 2006–07.

Statutory Rules under the following Acts of Parliament:

Building Act 1993 — No. 115.

Gas Safety Act 1997 — No. 113.

Legal Profession Act 2004 — No. 112.

Magistrates' Court Act 1989 — No. 118

Melbourne City Link Act 1995 — No. 116.

Subordinate Legislation Act 1994 — Nos. 114 and 117.

Subordinate Legislation Act 1994 —

Ministers' exception certificates under section 8(4) in respect of Statutory Rule Nos. 110, 117, 118, 120 and 121.

Ministers' exemption certificates under section 9(6) in respect of Statutory Rule Nos. 106, 107 and 112.

Premier's exemption certificate under section 9(6) in respect of Statutory Rule No. 116

Surveyors Registration Board of Victoria — Minister's report of receipt of 2006–07 report.

Veterinary Practitioners Registration Board of Victoria — Minister's report of receipt of 2006–07 report.

Victorian Commission for Gambling Regulation — Report, 2006–07.

Victorian Managed Insurance Authority — Report, 2006–07, together with 2006–07 Financial Statements for Housing Guarantee Claims Fund and Domestic Buildings (HH) Indemnity Fund.

Victorian Urban Development Authority — Report, 2006–07.

Victorian Veterans Council — Report, 2006–07.

Water Act 1989 — Plenty River Water Supply Protection Area Stream Flow Management Plan 2007.

Proclamations of the Governor in Council fixing operative dates in respect of the following acts:

Gene Technology Amendment Act 2007 — other than Part 3 and section 43 — 1 November 2007 (*Gazette No. G43, 25 October 2007*).

Justice Legislation Amendment Act 2007 — section 14 — 18 October 2007 (*Gazette No. G42, 18 October 2007*).

BUSINESS OF THE HOUSE

General business

Mr P. DAVIS (Eastern Victoria) — By leave, I move:

That general business on Wednesday, 31 October 2007, be taken in the following order:

- (1) order of the day no. 6, relating to the second reading of the Health (Fluoridation) Amendment Bill 2007 by Mr Kavanagh;
- (2) the notice of motion given this day by myself relating to the refusal by the Leader of the Government to comply with the resolution of the Council of 10 October 2007 to table certain documents relating to the public lotteries licence specified in that resolution;
- (3) notice of motion no. 67 standing in my name, relating to further amendments to sessional orders; and
- (4) notice of motion no. 62 standing in the name of Mr Barber relating to the revocation of amendment C95 to the Yarra planning scheme.

Motion agreed to.

MEMBERS STATEMENTS

Mustafa 'John' Ilhan

Mr GUY (Northern Metropolitan) — It is with great sadness that I rise to pay tribute today to the life of a young and dynamic Australian who was a figure of inspiration to many Victorians, particularly those in the northern suburbs. As members will be aware, John Ilhan passed away last week at the age of just 42.

Mr Ilhan's family migrated to Australia in 1970 when he was five years old and settled in Broadmeadows. After a stint with Ford, Mr Ilhan took a sales job at Strathfield Car Radios, where he excelled as a salesman. In the spirit of entrepreneurship, he left the organisation in 1991 to set up his own company, which

was soon thriving. The business he founded was soon Australia's largest Telstra mobile phone dealership, with nearly 20 stores in Victoria, and quickly expanded into New South Wales, South Australia and Queensland.

Fifteen years later Mr Ilhan was nationally recognised as Crazy John, a successful mobile phone businessman and generous supporter of community events and charities, particularly the Ilhan Food Allergy Foundation. He was also a very vocal supporter of the Richmond Football Club.

From humble beginnings John Ilhan rose to be one of the wealthiest people in Australia. But while he knew the spirit of entrepreneurship and the rewards of hard work, he was, most importantly, a good Australian, a good family man, a migrant success story and a fabulous role model for Victoria's Islamic community. John Ilhan embodied all that is positive about Australia, and his legacy will remain one of positive thinking and hope to generations of Australians to come.

Tamboritha Road, Gippsland: flood damage

Mr HALL (Eastern Victoria) — Members will be well aware that in June and July of this year significant flooding occurred in parts of Gippsland. One of the townships which was most severely affected was Licola, where roads and bridges were washed out, much private property was lost and significant and serious environmental damage occurred.

While I acknowledge the quick response by the government to restore the main Licola road, there are still, to this day, roads in the area which are closed due to the flood damage incurred. One of those roads is the Tamboritha Road. It is an access road to some of the high country's most popular areas of natural beauty, including Moroka Gorge, Lake Tali Karng and Bryce's Gorge.

At present the Tamboritha Road is closed and current efforts suggest that that closure will continue for a further 12 months. The Licola-Heyfield area desperately needs visitors to return to assist the economic recovery, so as a matter of urgency I call on the government to expedite the repair of the Tamboritha Road so that Victorians can again experience the beauty of our high country, and the local community can be boosted by the return of visitors to the area.

Nurses: enterprise bargaining agreement

Ms HARTLAND (Western Metropolitan) — Last week I stood with other Greens and members from a large number of unions to cheer on the nurses as they

entered Festival Hall for their stop-work meeting. Today I wish to congratulate the ANF (Australian Nursing Federation) and nurses across the state who not only stood up for the rights of workers but also for patients, by maintaining that patient-nurse ratios were just as important as their pay rise.

Not only were there widespread reports of nurses being bullied in their workplaces by management but the nurses also had to deal with the threat of fines made by the Premier in the *Age* of 25 October. When he was asked about the possibility of individual fines for nurses, he said:

This is why you have an independent umpire — if people break the rules, there are sanctions, there are fines. That's what the law is.

I do not understand why the ALP government chose to use the Howard WorkChoices legislation, especially as the government has so rightly railed against it, but it seemed quite happy to use WorkChoices against nurses in this situation.

The Greens MLCs will be making a donation to the ANF Victorian nurses welfare fund to help nurses whose pay was docked during the dispute even though they continued to work; I hope other members will also assist.

St Mary's House of Welcome

Ms MIKAKOS (Northern Metropolitan) — On 16 October I had the great pleasure of visiting St Mary's House of Welcome in Brunswick Street, Fitzroy and participating in the serving of meals to the homeless. I am pleased that many other members of Parliament were able to join in. It was humbling to work alongside community members who volunteer their time — in some cases, daily — to cook and serve meals to those in need. Our visit was organised as part of Anti-Poverty Week activities to highlight the desperate plight of so many of our fellow Australians.

St Mary's House of Welcome has been operated by the Daughters of Charity religious order since 1960. Between 250 and 350 people access the centre each day, the majority of whom are suffering from personal crises generally caused by poverty, mental illness or relationship breakdown. As well as providing 85 000 meals each year the services provided by St Mary's include psychiatric services, disability support, social work services, crisis intervention, emergency relief, pastoral care, housing referral and information, health care, educational opportunities and various activities that assist in giving a sense of

community to people who otherwise feel disengaged or have nowhere to go.

I congratulate St Mary's House of Welcome and its volunteers and staff for their wonderful work in providing support and hope to the disadvantaged in our community and in assisting so many people to regain self-esteem and find a purpose in life. I wish them well also with the redevelopment project they have under way, which is estimated to cost \$25 million, to try and expand their centre.

Toyota: hybrid car

Mrs COOTE (Southern Metropolitan) — Last week I had a tour of Toyota's Altona production plant, where I was able to experience firsthand many of the techniques and practices that go into the construction of its vehicles. I was given a comprehensive explanation of many of the practices by my tour guide, Mr Leslie Bethune. I was also briefed by government liaison manager, Mr Ronald Grasso, who gave me an overview of the Toyota organisation worldwide, its Australian operations and the philosophies of the company.

I was particularly impressed by its dedication to environmental awareness as shown by its Prius hybrid car. The Toyota Prius has led the way in hybrid motoring technology, and I encourage the government to establish a framework for research and development and manufacturing for this form of vehicle in Victoria. It will give Victoria the opportunity to support the local economy while being environmentally friendly at the same time.

I have enjoyed an association with Toyota over many years, as its head office is in Port Melbourne in my electorate, and I was also associated with the organisation under my former portfolio as shadow Minister for the Arts, as it is actively involved in a community arts program.

I thank Toyota for its dedication to community awareness and good social citizenship, and I look forward to visiting its corporate headquarters in Tokyo, Japan, next week with a parliamentary delegation and learning more about the organisation on my visit.

Science Talent Search Exhibition and Presentation Day

Mr THORNLEY (Southern Metropolitan) — I had the privilege yesterday of opening the Science Talent Search Exhibition and Presentation Day at La Trobe University. There were over 500 school students there, all of whom had been award winners in the science

talent search. The science talent search is a great institution that has actually been going for 56 years and is run by the Science Teachers' Association of Victoria.

There were well over 2000 entries for this year's talent search. As I toured around the exhibition I saw that these kids had not just done good book work but they also had done a whole lot of practical, inspiring and interesting things such as creating games, models and a whole range of different ways of making learning science fun, interesting and powerful.

I want to particularly acknowledge the efforts of the huge numbers of volunteers, both parents and teachers, who made this happen after hours and above and beyond the call of normal duty. In particular I recognise Bob Aikenhead, the president of the Science Teachers' Association of Victoria; Josie Crisara, who was the coordinator of the whole event and the whole talent search; Professor David Finlay, who hosted the event; and all the members of the STAV committee and others who made this terrific event and the whole thing possible. I hope they will continue to do so for many years to come.

Schools: chess championships

Mr THORNLEY — In a similar spirit, on 15 October I was privileged to briefly attend the Victorian schools chess championships, where I believe over 500 students were in attendance — the largest gathering of chess players anywhere in the history of this state. It was very exciting to see so many young people learning and having a great time while doing it in both chess and in science.

Coliban Water: board appointment

Mr D. DAVIS (Southern Metropolitan) — My matter today concerns the appointment by the Premier of a Mr Fabian Reid, a former staffer of his and a Labor mate, to the board of Coliban Water. This is extraordinary. The Coliban Water board is a very important board in central Victoria — a board which manages tens of millions of dollars of government money and has the task of delivering water not just to Bendigo but to many towns and rural communities throughout central Victoria. Who did the Premier appoint to that board? He appointed a former bankrupt and former staffer of his.

I want to know how this process operated. How did the Premier allow this appointment to occur?

Hon. T. C. Theophanous interjected.

Mr D. DAVIS — You would know about these sorts of things, Mr Theophanous! What happened to the guidelines for appointment and remuneration? What about the declaration? I am told that he wrote ‘Not applicable’ in the section ‘Are you a former bankrupt? Have you been subject to a bankruptcy order?’. I have to say that this is a disgraceful example of what has occurred in Victoria. Mates have been appointed across the countryside by this government, and that has been done against the merit of people who have applied for membership of those boards.

I have to ask: where was the Treasury during this process? Were there checks undertaken to assure the probity of these appointments? This has compromised Victoria, it has compromised the supply of water, and I have to say that Victorians can have no confidence — —

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

Northern Metropolitan Region: community events

Mr ELASMAR (Northern Metropolitan) — I rise to speak regarding some community events I attended last week in my electorate. I was invited to a family barbecue day held on Sunday, 21 October. What was unusual about this function was the fact that a small community not-for-profit organisation, the Al Khateb Association, allowed an even smaller community group full use of its facilities to provide a social occasion that was thoroughly enjoyed by everyone, me included. It was good to watch the children dance and play while the parents relaxed, but it was very nice to see community organisations helping others to enjoy quality family time together.

On Monday, 22 October, I attended the grand opening ceremony of the Hefei culture exhibition. The city of Hefei is in China and is the sister city of Darebin. The event was organised by the AC Media Group. In addition to me, the mayor and councillors of the City of Darebin and all the members of the Hefei broadcasting and cultural delegation were present. We watched a stunning visual presentation detailing the history of the city, which is 2000 years old. It was a pleasure to meet Mr Lin Cunan, the leader of the cultural delegation, who treated us to a stunning exhibition of Chinese art.

Princes Highway: upgrade

Mr VOGELS (Western Victoria) — It has taken a federal election campaign for Labor candidates to come clean and admit they have been deceiving local

councils and communities as to who is responsible for the Princes Highway west. A report in the Warrnambool *Standard* of Saturday, 20 October, by Greg Best and Madeline Healey states:

Vital federal support for an upgrade of the Princes Highway in south-west Victoria is off the election agenda after the ALP yesterday ruled out any funding.

Labor’s transport spokesman Martin Ferguson and Corangamite candidate Darren Cheeseman revealed the party’s stance during a funding announcement near Geelong yesterday. Labor’s Wannon candidate Antony Moore, who was initially unaware of the move, later confirmed the party would not cough up any funds for the highway section, saying the upgrade was the state government’s responsibility.

South-west councils have been used as a political tool by both state and federal Labor candidates for many years in this blame-shifting game. The truth is out, so let us stop the politics and upgrade this vital road with state funding.

It is interesting that Mr Moore, the Wannon candidate, is reported as saying:

The Princes Highway is now a state government responsibility. No government can commit to funding every road.

The report goes on to say about the Corangamite candidate:

Mr Cheeseman encouraged his state government Labor colleagues to ‘get on with their responsibility’ —

to build the highway.

The truth is finally out. Labor candidates for years have got away with blaming the federal government for not upgrading Princes Highway west, and they all now admit it is clearly a state government responsibility. It is sitting on about a \$1.3 billion surplus, so it should bring forward the money and get on with the job.

Warrnambool: early childhood services award

Ms TIERNEY (Western Victoria) — I rise to congratulate the Warrnambool City Council on being commended in statewide awards recognising excellence in early childhood services. The council’s Welcome to Warrnambool Early Years Service helps in making it easier for children born overseas to make the transition to kindergarten and has been highly commended at the second annual ‘early years’ awards in the category of ‘Better access to child and family support health services and early education’.

Warrnambool child and family services and the Warrnambool community developed the community support project that will improve the understanding of

and access to early childhood services for newly arrived Sudanese families. It is wonderful to see the Warrnambool City Council being recognised by the Brumby government for its exceptional dedication to improving health, learning, development and wellbeing of children in their early years, especially young refugee children like those of newly arrived Sudanese families.

It is also encouraging to see that the Warrnambool City Council and the people of Warrnambool have not been persuaded by certain policies of the federal government, like the decision to drastically cut the number of Sudanese refugees — some of the most needy people in the world. Instead of creating another barrier by introducing a ridiculous citizenship test, as the federal government has, the Warrnambool City Council is encouraging and assisting relocation and settlement with this program.

Again, I congratulate the Warrnambool City Council, the support services and the people of Warrnambool for an outstanding achievement which has resulted in 90 per cent employment of the Sudanese people in Warrnambool.

Water: infrastructure

Mr O'DONOHUE (Eastern Victoria) — It is a sad fact that today, 30 October, with summer ahead of us, our water storages have already dropped below 40 per cent capacity. This time last year the water storage capacity was 43.6 per cent. There is no end in sight to the water crisis that Victorians face. The supposed solutions of the north–south pipeline and a desalination plant will not be completed for several years. The fact that desalination was scoffed at by former Premier Bracks before the last election and was dismissed by the government's blueprint, the central region sustainable water strategy, demonstrates that this is half-baked policy made on the run.

The desalination plant has been forced on the people of Bass Coast with no warning and no consultation. The government's contempt for process is a disgrace. In the interim, every day over 400 million litres of partially treated sewage will be pumped into the ocean at Boags Rock near Gunnamatta Beach. Why has the government not expedited this project? Why does it allow this environmental vandalism and waste to continue? Are its words about sustainability just that — just words? Because of the negligence of this government the people of Victoria cannot be guaranteed the most basic right — access to a secure supply of water.

Blue whale study: Portland exhibition

Ms PULFORD (Western Victoria) — In Portland recently I attended an exhibition by Australocetus Research regarding its blue whale study. At the exhibition I met Dr Pete Gill and Margie Morrice and learnt about their research. The blue whale study investigates the ecology of *Balaenoptera musculus*, the largest animal on earth. South-western Victoria enjoys many delights, including a lesser-known one called the Bonney upwelling, which provides an abundant feeding ground in which blue whales can feast on over 5 tonnes of krill a day, which is required to sustain them.

Pete and Margie's research tells us a great deal about how we can protect these remarkable yet endangered animals. The exhibition was a fantastic way to further illustrate the work they are undertaking. I would like to take this opportunity to congratulate Pete and Margie on their work and the wonderful exhibition, which in a small way brings the blue whale to shore for the benefit of landlubbers and highlights the wonder that is the Bonney upwelling.

Australian Light Horse: Beersheba anniversary

Mrs KRONBERG (Eastern Metropolitan) — Tomorrow, 31 October, at 4.30 p.m. marks the 90th anniversary of the charge of the Australian Light Horse at Beersheba. Comprising the finest of Australian manhood, the light horse brigade displayed unbelievable courage and dazzling horsemanship in battle. A Victoria Cross was won at Gallipoli by a brigade lieutenant, Hugo Throssell. The brigade later eliminated the Turkish threat in the Sinai after enduring the brunt of fighting, suffering 900 out of the 1100 allied casualties.

At dawn on 31 October the British XX Corps launched a carefully orchestrated attack without artillery, aerial bombing and infantry on Beersheba. Despite this, later on that day when time was running out, Beersheba was still in Turkish hands. In mounting the attack on Beersheba, it was the Australian Light Horse brigade that captured the town intact, took 1000 prisoners and opened the way for a general outflanking of the Gaza-Beersheba line.

This year we remember the sacrifice of young men such as Lance Corporal John James Marsh of the 5th Light Horse brigade. He epitomises the character of our courageous Australian fighting men and women. Their skills and valour have rarely been matched in any theatre of war. On Remembrance Day we will also pray for those fighting the war against terror in Iraq and

Afghanistan and for our recently fallen heroes Trooper David Pearce and Sergeant Matthew Locke.

Whitten Oval, Footscray: children's centre

Mr PAKULA (Western Metropolitan) — Like Mr Finn and Marsha Thomson, the member for Footscray in the other place, I am a member of the Western Bulldogs Football Club. But, like Mr Finn and Ms Thomson, my true devotion lies elsewhere. However, sometimes I am forced to concede that the Bulldogs do some things better than my other club, and I think Mr Finn would have to concede likewise. In fact when it comes to engaging with the local community the Bulldogs do some things perhaps better than any other sporting club in the country.

Last Tuesday I was at the Whitten Oval with the Minister for Children and Early Childhood Development in the other place, Maxine Morand, for the start of the construction of a \$1.85 million children's centre. The project is a partnership between the Bulldogs, Maribyrnong City Council and the state government. The state government is contributing half a million dollars on top of the \$3 million that has already been contributed to the Whitten Oval redevelopment. The centre will provide long-day and occasional care, a kindergarten, maternal and child health and early intervention services.

I would like to put on the record my congratulations to David Smorgon and Campbell Rose of the Western Bulldogs as well as to the Maribyrnong City Council and the mayor, Michael Clark, on what will be a great new asset for the Footscray community.

VicRoads: Wallan–Kilmore bypass

Mrs PETROVICH (Northern Victoria) — I have spoken previously about the urgent need for a bypass through the towns of Wallan and Kilmore. My office is located on the main road of Kilmore and the number of heavy transports that go past, many of which take up more than half the road, is growing on a daily basis. It is getting increasingly dangerous to cross the road or to park your vehicle. Despite numerous attempts to get a commitment from the government about the future of this road, the situation seems to be spiralling out of control. The Minister for Roads and Ports has refused to meet with the bypass action group. The local member, Ben Hardman, the member for Seymour in the other place, continues to sit on the fence and will not give his support to the local community.

The latest development in the saga is that the rumour mill is now running hot because of a report in last

week's local paper that VicRoads is considering a bypass route that would dissect the residential areas of Kilmore. Of all the options put up by VicRoads — 11 in fact; an absurd number — that would have to be the most ridiculous. According to one VicRoads source, this is a done deal. However, no-one from VicRoads is prepared to confirm or deny this rumour.

I hope the Minister for Roads and Ports will urgently intervene and confirm whether or not a bypass route has been determined. If it has not, I ask why not. If a route has been determined, could he please announce it and put an end to the unnecessary speculation and the agony that is being felt by the residents of this small community?

SELECT COMMITTEES: MEMBERSHIP

Mr VINEY (Eastern Victoria) — I move:

That —

- (1) this house notes:
 - (a) that the state Labor government's constitutional reforms have brought proportional representation to the Legislative Council;
 - (b) that the Australian Labor Party, the Australian Greens and the Democratic Labor Party have policies espousing proportional representation;
 - (c) that the Liberal Party uses proportional representation for internal party elections;
 - (d) that on two occasions the Liberal Party, the Australian Greens, The Nationals and Democratic Labor Party majority in the Legislative Council have ignored the principles of proportional representation to appoint select committees where the Australian Labor Party with 47.5 per cent of the members of the Council has been allocated only 28.6 per cent of the members of the select committees established by the Council; and
- (2) standing order 24.04 is suspended and the following will apply —

‘Appointment of members

 - (1) The membership of every select committee must be determined by a proportional representation ballot, similar to that used to elect members of the Legislative Council as defined in section 114A of the Electoral Act 2002.
 - (2) The Clerk will conduct the ballot.
 - (3) The whips of each political party represented in the Council will act as the registered officer for the purpose of nominations and group voting tickets. Where a member is not a member of a political party with a whip, he or she will be able to

self-nominate as an ungrouped independent under the Electoral Act 2002 and the Clerk will act as the returning officer in this case.

- (4) Nominations will close with the Clerk 24 hours after a resolution has been agreed to to establish a select committee.
- (5) The ballot will be conducted whilst the Council is sitting on the sitting day after nominations close with a member being able to request their ballot from the Clerk in the chamber with the ballot box on the table.
- (6) Members may be discharged from attending a select committee, and other members added, provided that the member is from the same party as the discharged member, by writing to the President.
- (7) The foregoing provisions of this resolution, so far as they are inconsistent with the standing orders and sessional orders or practices of the Council, will have effect notwithstanding anything contained in the standing or sessional orders or practices of the Council.’

This motion proposes in essence that we have fairness in the structure of committees appointed by this house, particularly select committees. The motion details in paragraph (2) the means by which the appointment of members of this house to those committees can occur. I think all members of the house, who have been elected under the proportional representation system, would have a reasonable understanding of how that system works.

The preamble gives some background to why the government has moved this motion. It is also worth noting that it has been moved in the context of the debate that is proposed for tomorrow of new sessional orders — —

Mr P. Davis interjected.

The PRESIDENT — Order! It is not question time.

Mr VINEY — It is worth noting that the reason for bringing this debate on today, if Mr Davis was actually listening, is that Mr Davis will tomorrow propose sessional orders to introduce a new standing committee of this house, in respect of which he has again stitched up the numbers. He has constructed an arrangement under which the government will be grossly disadvantaged on that committee despite the fact that it has 47.5 per cent of the members of the house.

Under that arrangement the non-government parties, by coming together, will be able to appoint government members to that committee making up only 28.6 per cent of its membership. It is a grossly unfair and inappropriate use of the numbers in this house to

consciously and deliberately disadvantage the government. I think it is worth thinking about this matter in the context of the reform of this house and the fact that the government was committed to fairness and reasonableness in the structure of the house. We believe that should flow to the structure of Council committees and the way they operate.

In 1985 the Labor Party changed its policy position from seeking abolition of the house to seeking a proportional representation or fairness-based model. I notice that Mr Barber is smiling at the mention of the history, but the Greens have always supported proportional representation. In fact the Greens have talked about — —

Mr P. Davis interjected.

Mr VINEY — I said since 1985, Mr Davis. Again, if you would like to listen to what I am saying, you would not need to interject.

The PRESIDENT — Order! Through the Chair!

Mr VINEY — As I understand it, the Greens have always supported proportional representation, particularly for this house, so on this issue you would expect we were as one, but I will come to that later.

In 1991, for the first time, a bill to reform the Legislative Council was introduced by the then Kirner government. It was rejected by the Liberal-controlled upper house. In the Parliament that sat between 1999 and 2002, in the first term of the Bracks government, consistent with Labor Party policy and the position of the Independents at the time, the government introduced a proposal for proportional representation for the election of members of this house. Interestingly, at that time, in recognition of the fact that it did not have a majority in this house, Labor conceded that it could be done over two terms. In other words, there was to be no disadvantage to the Liberal Party in relation to its control of the house at that time, given a reasonable expectation of what an election result would be. Again, that was rejected by the Liberal Party, and the government set up the Constitutional Commission of Victoria, which made recommendations about the reform of this house under a proportional representation system.

In 2003, in the first months of the second term of the Bracks government, the Labor Party introduced a constitutional reform bill, and because it had a majority in this house, the bill was passed. And do you know what? We did not even propose that the reform be introduced over two terms, although in that instance it would have considerably advantaged the Labor Party.

In fact if we had introduced it over two terms, we would have maintained a majority in this house. But the Labor Party, on the basis of principle, introduced a system to introduce proportional representation over one term. I and other members who were in this place at that time voted to reduce our terms from eight years to four in support of the principle that there should be proportional representation, that this house should be a proper house of review and that it should reflect the views of the community more fairly.

The Constitutional Reform Bill 2003 was passed because the Labor Party at that time had 25 of the 44 votes in the chamber. Fortunately, and I will come to this later, we also made reforms that denied to this house the power to refuse supply. More than that, in the last Parliament, when it had a majority in this house, Labor introduced for the first time a Legislation Committee, which I had the honour of chairing during a three-month trial. It is really interesting that it was our initiative to establish the Legislation Committee in a genuine desire to give the house the power to consider legislation in more detail than under the processes of the Council sitting as a committee of the whole because we believed in the important capacity of the Legislation Committee to bring witnesses forward, have ministers at the table and take evidence on various bills, particularly complex and detailed bills. The committee considered the Disability Act and the rewriting of the Education Act. It is interesting that during the 56th Parliament the house, which has a majority of non-government members, has not referred a single bill to the Legislation Committee, despite the fact that everyone agreed the trial was very successful and was a good review process.

The Labor Party has always been the party of reform, and over many years we have come to learn that the Liberals in opposition are class 1 wreckers. They will wreck the democratic process. Even in government they liked to do that. That was the experience under Jeff Kennett. They are class 1 wreckers of the democratic process because they have consistently done that. They have consistently opposed reform of this house. They have consistently opposed all of the principles of openness and accountability that we have tried to put in place. Instead, they want to put in a gerrymandered system of select and other committees that completely disadvantages the government. I am not surprised that The Nationals support that. I am not surprised that The Nationals will oppose this proposition for proportional representation, because The Nationals have long and consistent form in supporting electoral gerrymanders that are to their electoral advantage. That is The Nationals' form, so I never expected Nationals support on this proposition, although I did ask for it.

Mr Hall — You want to talk about gerrymanders!

Mr VINEY — You are setting up a gerrymander committee system, Mr Hall. That is what you are setting up. Make no mistake, it is a gerrymandered system to completely disadvantage the government in the appointment of committees of this house.

Mr Hall — You have a very fanciful imagination, Mr Viney.

Mr VINEY — We are happy to have accountability in the house. We are not happy to have a gerrymandered system that deliberately disadvantages the government, and members opposite know full well that that is what they are doing.

But the party that I am most surprised by in its intention to oppose this motion is the Greens, because it is its policy to support proportional representation (PR). Is it not interesting that when members of the Greens get the opportunity to support proportional representation as a matter of principle, the principles are out the window, because they have an arrangement with the Liberal Party that allows them to get up select committees and other things they want. But in order to get that arrangement up they have to get all the votes together. They have to get Mr Kavanagh on board, they have to get The Nationals on board and they have to get the Liberal Party on board. In order to get that up you have to gerrymander the system — that is the only way

The Greens have completely sold out on their policy principles by saying, 'In all cases we are happy to support PR, except when we do not want to. We believe in proportional representation, except when we think it is to our political advantage not to'. The Greens are sadly mistaken. If you look at the result of the election to this house, we ended up with 19 members from the Labor Party and 3 members from the Greens, so if you like, if you look at the broad spectrum of politics to the left of centre, there were 22 people elected to this chamber.

Mr Barber — I wouldn't go that far.

Mr VINEY — But the way they are structuring these committees is not that. I say to all of the voters to the left of centre that they need to understand what the Greens are doing is setting up a committee system that actually gives a majority to the right of centre. That is what the Greens are setting up. All the Greens voters just need to think about this. What is being set up here? One is starting to wonder where on earth the Greens are actually going to sit in terms of that broad spectrum of politics.

As I said, the Liberal Party members are the consistent class 1 wreckers of the democratic processes. Those in the Labor Party remember and know it well. Members of the Labor Party, certainly of my age, remember 1975. We remember what happened in 1975. It is worth reflecting, just because we in the Labor Party constantly support our principles, often to our disadvantage. But think about this: in 1975, when Bert Milliner died, the then Country Party Premier of Queensland refused to appoint the Labor nominee to the Senate and appointed Albert Field. As a result of that the majority in the Senate was changed from 30 all to 30 to 29 at the time the vote was taken to block supply because Field was on leave. As a result, the Liberal Party, in combination with its mates in the then Country Party, now The Nationals, was able to wreck the elected Labor government of the day. I will not go into the rest of the constitutional crisis and the behaviour of the Governor-General at the time, but the point I am making is the consistency of the Liberal Party and The Nationals in wrecking reasonable processes and accepted practice. People might think I am stretching it here.

Mr P. Davis — Just a little?

Mr VINEY — No, you think it is. But I am saying to you, Mr Davis, that this is exactly the same process. The Greens members are sitting here laughing, but they are participating in exactly the same process, where the disadvantaging of the duly elected government is happening in this chamber today. It is happening because the non-government parties are conspiring together to create a system of committees and a system of accountability in this chamber that is gerrymandered against the government. Do not get me going on the Select Committee on Gaming Licensing, because that has been a witch-hunt from start to finish and has produced absolutely nothing.

But just look at the history of The Nationals and the Liberal Party. I urge the Greens to think about what they are participating in in this process. It is not a long stretch to recognise that the Liberal Party and The Nationals opposed the system that ended up with the Greens being elected to this chamber. The Liberal Party and The Nationals conspired in the 1970s to wreck a duly elected government. It is exactly the same process.

Mr P. Davis — The 1970s? Who was here? Were you here, Mr Hall? Were you in Canberra, were you, or in Queensland? What rubbish!

Mr VINEY — It is exactly the same process, Mr Davis.

Mr P. Davis — If that's the best you can do, sit down.

Mr VINEY — I am not going to sit down because you tell me to.

The PRESIDENT — Order! Through the Chair.

Mr VINEY — It is exactly the same process, Mr Davis. It is. What disturbs me is that members of the Greens are participating in it. They are participating in a process that is deliberately intended to gerrymander the election of this house's committees. It is an absolute gerrymander to suggest that 47.5 per cent of the members of this chamber get 28.6 per cent of the members of any of its committees. It is an absolute disgrace. I think members of the Greens need to hang their heads in shame that they are participating in a process that is deliberately designed to disadvantage the government. What I would say is this: I think in these kinds of processes the Labor Party has always acted with some degree of honour. The Labor Party has always acted with honour, and if you take the Senate examples — —

Mr P. Davis interjected.

Mr VINEY — When did any Labor state government propose to nominate a person who was not from the same political party when someone died in the Senate? When did the Labor Party ever do that? When did the Labor Party ever propose a structure of committees in this place that was completely gerrymandered in the interests of the Labor Party? Mr Davis cannot find examples of that. What I will say is this: one day I imagine — and I hope I never see it — Labor will be in opposition in this Parliament. It is inevitable.

Mr P. Davis — I'm counting the days.

Mr VINEY — I do not have the Jeff Kennett view that you participated in, Mr Davis, that you are here to rule for a thousand years. I do not have that view. I do accept that there are cycles in politics. I hope that I am never in this place when we are in opposition, naturally, but I do accept that one day Labor will be in opposition. If I am alive I will harass every member of the Labor Party in this chamber to not concede one inch to the Liberal Party in government on things like this if the opposition parties go ahead with these gerrymanders. And if I am dead I will haunt them, because it is time that the Labor Party demonstrated in opposition that it will not take what those opposite mete out when they are in opposition: that it will not take these constant gerrymanders, these constant abuses of the processes of

government and these constant abuses of the processes of electoral appointments.

This is an absolutely serious motion. This motion is about saying there needs to be some fairness in the appointment of the committees of this house. We accept that this house has a role of review and a role of scrutiny of the executive. We have absolutely no argument with that, but what we do not accept is that the house has the right to gerrymander those committees to a point where the government is clearly disadvantaged. Mr Davis is laughing at these comments.

Mr Guy — No, he is not; that was me.

Mr VINEY — Mr Guy has decided to get into the debate. Mr Guy has been sitting on the Select Committee on Gaming Licensing where the Liberal Party, with 15 members in this house, have got exactly the same number of people on the committee as us.

Mr P. Davis — How many members have you got without ministers?

Mr VINEY — I do not care how many we have got without ministers. It is how many we have got, and we have got 19.

Mr Guy — Make your point or sit down. This is a rant.

Mr VINEY — Thank you, Mr Guy, your interjections are inane as usual.

Mr Guy — And so is your speech, as usual.

Mr VINEY — When Mr Guy has been here for a little while longer, he might be able to contribute to the debate with some rationality, and if he is dead keen to get over to the other house, then he should hurry up about it.

Regarding the Select Committee on Gaming Licensing which Mr Pakula and I have been on for some months, there is absolutely no question in going through the processes of that select committee that the government members have been completely disadvantaged by having only two out of seven members when by all reasonable analysis the government should have three in seven. And that is the reason for the motion before us for proportional representation.

It is not just in the debate and in the public hearings that government members are being disadvantaged in the committee process; it actually occurs in the secret deliberative meetings. That is when it really kicks in

because even if the government members are able to convince Mr Barber, or on occasions Mr Kavanagh, to support it, the committee has been structured in a way that Mr Pakula and I have to convince not one, but two other members of the committee, and that is where the gerrymander kicks in. Make no mistake about it, it is absolutely a gerrymander. It kicks in because the government members cannot get a resolution through the committee, no matter how reasoned our arguments, unless it can pull through two other members of the committee. That is where the gerrymander on these proposed structures kicks in and — —

Mr Rich-Phillips interjected.

Mr VINEY — Now we have got Mr Rich-Phillips out of his place and interjecting from the computer. He knows full well what I am saying. Mr Rich-Phillips and Mr Guy understand what I am saying; they set it up. They know the set-up that they have established, and they have exploited it. The Greens and Mr Kavanagh have been willing participants in that gerrymander. The situation is that the Liberal Party and The Nationals — the traditional conservative coalition in this place — have got three members on the committee, and the government has two. There is absolutely no fairness in the system, and what we are saying is that we accept the role of the house as a house of review and the capacity for the house to appoint committees. We do not deny that the house has the capacity to appoint committees, although we favour the joint parliamentary processes, but we say that you cannot expect the government to be accepting of these committee processes, these accountability processes, when the structure of the committee itself has been gerrymandered.

It is unreasonable that for the government to get anything through on these committees it has to convince not one other member but two other members of the committee. It is absolutely unreasonable when the government does not need to meet such circumstances in this house. If either The Nationals support the government in this house or the Greens support the government in this house, the government's vote prevails. If the Democratic Labor Party supports the government here in respect of action the government does not support, the matter cannot proceed, yet the opposition parties are saying that in the committees we have to convince not just one of the political players or parties, we have to convince two. It is an absolute gerrymander and an absolute disgrace. What we are proposing is a reasoned and reasonable approach to resolve this.

We were actually open to some negotiations to get some agreement without proposing this motion on how these committees might be structured. It is incredibly disappointing that despite the government's attempts to try and get some agreement, to get some understanding, to make some concessions about how we might consider the debate on other things tomorrow, despite all of those negotiations the other parties have still gone down the path of conspiring consciously and deliberately to gerrymander the committees of this house to disadvantage the government.

Mr Hall — How are you disadvantaged? Tell me how you are disadvantaged!

Mr VINEY — As I have already said, Mr Hall, I never expected the support of The Nationals. The Nationals have a history on gerrymandered electoral systems which is legendary. We never expected support from The Nationals, but I come back to the point that you would think that given the policy position of the Greens on proportional representation and their understanding that they sit to the left of centre of the political spectrum, along with the Labor Party, they would think it was a reasoned and reasonable — —

Mr Barber interjected.

Mr VINEY — Mr Barber says, 'You are not sitting on the left spectrum of the political debate'.

Mr Barber interjected.

Mr VINEY — That is really interesting. Mr Barber has said they do not sit in the left spectrum of the political debate in this country. I think their voters need to know that.

Mr Barber interjected.

Mr VINEY — And I would have to say that in this house Mr Barber's record of performance demonstrates absolutely that he does not see himself in that position, but what I would say is that his voters would see him in that. I would say to Mr Barber that he should go out and justify to his voters how his party can have a policy of proportional representation to get their backsides on the seats of the red velvet in this chamber, yet they do not support it for the committee structures of the house.

Mr P. DAVIS (Eastern Victoria) — I am surprised that Mr Viney has sat down after 28 minutes without putting his case. Anyway, I guess I will just have to pick up the debate where he left it and put into context what this matter is about.

The motion before the house deals with the appointment of select committees. Erskine May's *Parliamentary Practice*, 23rd edition, chapter 26 at page 738, is headed 'Select committees in the House of Commons' — for the interest of Mr Viney and any other member who would like to refer to it — and says:

Select committees are appointed by the house to perform a wide range of functions on the house's behalf. Most notably they have become over recent years the principal mechanism by which the house discharges its responsibilities for the scrutiny of government policy and actions. Increasingly this scrutiny work has become the most widely recognised and public means by which Parliament holds government ministers and their departments to account. It is the tradition of select committees, bolstered by their practice of deliberating in private, to proceed as far as possible by consensus and without regard to party affiliations. The majority are committees of inquiry which proceed by the taking of evidence, deliberation and the making of reports to the house on their findings.

I thought it would be useful for the house to consider what Erskine May says about select committees, because their task is clear. They are empowered by delegation from the house to hold ministers and their departments to account. It is about the concept of responsible government.

Mr Thornley interjected.

Mr P. DAVIS — Mr Thornley, in case you are not aware, this is the Legislative Council of Victoria. If you want to discuss matters to do with another Parliament, I suggest you move to that Parliament to discuss those matters.

It is true, as Mr Viney says, that the Labor Party in government has implemented reforms and changes to the electoral franchise and the electoral system in Victoria, the consequence of which is that we now have 40 members elected on a proportional representation model. The consequence of that is that there are more parties represented in the Parliament today than at any time in its previous history. Clearly, as a matter of holding the government of the day to account, conceptually all of those parties are entitled to participate in that process.

But we need to bear in mind what a select committee, or any other committee of this house, is: it is a delegated group of members who are charged with the high responsibility of informing themselves and making reports and recommendations as they deem appropriate to the house as a whole, for this house as a whole to consider and act upon as and if it sees fit.

Mr Viney — So you can gerrymander the committee and then correct it in the house? Is that your argument? What a morally bankrupt argument that is.

Mr P. DAVIS — I did not want to get down to the level of trivial detail, as Mr Viney has been inviting me to do, but I am sorely provoked to pick up his interjection and, the triviality notwithstanding, attempt to respond to it. His motion is poorly informed in the way it is prepared. Apart from the factual errors, one of which, for example, is his subparagraph (c):

that the Liberal Party uses proportional representation for internal party elections ...

Honourable members interjecting.

Mr P. DAVIS — The answer to that is that the Liberal Party operates on the basis of exhaustive preferential elections for all of our officers and positions and in the case of preselection of candidates. I cannot say I understand where this notion of proportional representation in the Liberal Party comes from, but it is factually incorrect.

The major point I want to make about the facts of the motion is this: the way Mr Viney has drafted his motion is that he has proposed a system which would ensure that only one representative of the smaller non-government parties — that is, other than the formal opposition, the Liberal Party, which would mean only one of the other three non-government parties — would be represented on any committee structured under this formula.

I want to go back to his predominant comments, which were to attest that it is a misuse of the numbers in the house to grossly disadvantage the government. Let us deal with the concept of the government. Who is the government in this place? Are the members who are sitting opposite me in this chamber members of the government? Under any concept of the Westminster parliamentary arrangement, members who are private members — that is, not members of the executive — are not members of the government.

Mr Viney interjected.

Mr P. DAVIS — They may support the government, the executive, in votes in the Parliament, but they are not members of the government. Select committees are established, and indeed other committees of this house are established, for the express purpose of holding accountable ministers and indeed parliamentary secretaries — that is, would-be ministers or pretenders who would be if they could be

but cannot be because their faction has not got the numbers to get them up.

Mr Viney has made the argument that the Labor Party has always supported proportional representation. That is not true. Until 1985 the Labor Party wanted to abolish this house. Why did it change its policy position in 1985? Because it was electorally unpopular.

Mr Viney — It does not matter why.

Mr P. DAVIS — Mr Viney says, ‘It does not matter why’. Of course it matters why.

Mr Viney interjected.

Mr P. DAVIS — It is because, Mr Viney, you could not get the numbers to do it. That is why it matters. It is about politics. You changed your position because it was more acceptable to the electorate to drop that position. The fact of the matter is that proportional representation is the tool by which this house is elected, and indeed those members of this house elected under that system — apparently, according to Mr Viney — should be grateful they were elected, because it is Mr Viney’s party which ensured that they could individually be elected.

I think all members of this house, each having sworn a solemn oath, understand their obligations. Their obligation, between elections, is to represent the people of Victoria, and part of that representation is holding the executive to account. There is a conceptual problem with the understanding of government members about the purpose of members of Parliament, which is not to be sycophantic, obedient lap-dogs of the executive who do not question its role. The role of a member of Parliament, whether they be on this side of the house or on that side of the house, is to ensure that there is proper probity and integrity and that good public policy is delivered by the elected government of the day.

Mr Viney raised a question in his dissertation about the fairness of appointments to committees. What I say is this: it is fair that every party group represented in the Parliament be represented in committees of the house. There are occasions, because of the pressures of time and workload, when they choose not to be. We have seen that already in respect of the Democratic Labor Party, where one member, representing one party group, cannot possibly accept appointments to every committee of the house. That is a reasonable position. However, at the very least every party group should always have the opportunity to be represented. Mathematically, by any calculation, it is impossible for every party group to be equally represented in proportion to their membership of this house — —

Mr D. Davis — Except for the committee of the whole.

Mr P. DAVIS — Unless it is by the committee of the whole, as David Davis properly interjects.

To make that clearer, take the principle that Mr Viney is espousing — that the ALP has 47.5 per cent of the members of the council and therefore should be entitled to such representation on the committee. I point out that the Liberal Party has 37 per cent of the members of the council. If you add those two numbers together, you find there is only room for 15 per cent as the balance. I suggest that any arithmetical calculation demonstrates absolutely the inability of a committee of any number to do what Mr Viney suggests, totally undermining the philosophy behind the government's decision to change the electoral basis of the upper house. Therefore it is irrelevant.

I refer members to my comments on *Erskine May*. What is the task of a committee? It is to examine ministers and their departments and to ensure that they are delivering good administration and proper accountability and stewardship of the state's finances.

I do not intend to go into rebutting all of the points made by Mr Viney, because, frankly, I think his case was not well argued. However, I will develop my theme about our function here. I quote from page 370 of *Politico's Guide to Parliament*, which was written by Susan Child and published in 1999 and which refers to select committees and membership thereof:

Members of the government and opposition frontbench spokesmen are excluded from membership of select committees (although this is a convention rather than a rule of the house and is not specified in standing orders).

I read that to throw out a question — that is, conceptually, given that the task of the select committee is to examine the performance of ministers and their departments, is it appropriate for ministers to be eligible for committees of the house? That is a genuine question for the house to determine. Indeed is it appropriate for assistant ministers — parliamentary secretaries — to be members of committees that are examining the performance of ministers and departments? This leads to the obvious difficulty we have with the President of this house. Is it appropriate for the President to be a member of a committee examining the executive? For what it is worth, my opinion is that it probably is not.

The Minister for Environment and Climate Change is on shift at the moment — and he is presumably getting a higher allowance for being on shift. He is the one minister in the house to support the motion and observe

the debate. He would find some difficulty in being part of a select committee that is making an inquiry into his own department and his own performance as minister. I think even he would acknowledge that that would not be appropriate.

To develop this theme, I took the trouble to consider what should be done about it. I drafted an amendment to the motion, which, just for the sake of discussion, I will read to members — —

Mr Viney — Are you going to move it?

Mr P. DAVIS — Just think about this:

In proposed paragraph (2)(1) after 'Electoral Act 2002.' insert 'No member who is the President, a minister of the Crown, parliamentary secretary of the cabinet or a parliamentary secretary will be eligible for nomination of membership to a select committee.'

Mr Pakula — What about shadow ministers?

Mr P. DAVIS — I thank Mr Pakula and take up his interjection. I had not noticed that any shadow minister in this place had ever been sworn in, or that we had administrative functions in government. I introduced the notion, as observed by Susan Child, that members of the House of Commons who are government ministers or frontbench spokesmen do not sit on select committees, and I thought about how that would work in this place.

Frankly I have rejected moving such a motion for this reason: the Commons is a body of some 600 odd members of Parliament; this is a body of 40 members. In my view it would be entirely impractical to so regulate such an arrangement, even by convention, which is the Commons practice. We have, if you like, a small gene pool in this place.

Mr Jennings interjected.

Mr P. DAVIS — If we take out the Minister for Environment and Climate Change, it is a very small gene pool! We only have 40 members in this place, and if you restricted the membership of this type of committee to those not involved in any way in the administration of the state, then it would be a very small group indeed. So it is a matter for the government to determine who its members in the various committees will be, and I am happy to leave it that way. I cannot imagine that ministers themselves would want to be involved in such committees. However, I think that was worth putting on the table as a comparison between what happens in the Commons and what happens in this Parliament.

What I really want to say is that I see this motion for what it is — an attempt by the government to make a point. Its point, as I understand it — and I will paraphrase others on the government side with whom I have considered this issue or whom I have listened to in the debate; and I am sure we will hear more about it tomorrow as Mr Viney has indicated is that the government wants 50 per cent less one of any committee formed by the Council.

Mr Thornley — No; just PR, mate.

Mr P. DAVIS — I suspect that when you do the maths, Mr Thornley, you will find that that is how the maths work out. In any event, the government wants 50 per cent less 1 of any committee of this house. The effect of such a voting bloc would ensure that the government had disproportionate influence over any considerations by any committee.

Mr Thornley — Disproportionate?

Mr P. DAVIS — Disproportionate. The purpose of committees, in any event, is not to be some sort of mud-wrestling competition between members of this place. The purpose of select committees is to properly look at the functions of — —

Mr Thornley — Then why have any government members on them at all by that logic?

Mr P. DAVIS — Indeed, Mr Thornley. Mr Thornley asks the question: why have any government members on them at all? As far as I am concerned it is not appropriate for ministers to be on those committees, but if the government wants to decline participation in committees, I welcome it. But my clear view in regard to Mr Viney's motion is that it seeks particularly to advantage the government and particularly disadvantage the non-government parties other than the opposition. For that reason I am opposed to it. I believe the only way we can get sensible and rational discussion about the range of issues that need to be considered is by having a diversity of membership of these committees.

It is best to recall the quote from the Book of Proverbs in the vestibule about safety in numbers. I think the diversity of these committees is that safety; it is a safety valve that ensures neither the government nor the opposition party — whichever it is for the time being; and there is clearly always going to be a political contest between whoever forms government and whoever the opposition party is — monopolise committee membership.

It is clear that it is useful for there to be a safety valve, because, as Mr Viney would attest, sometimes there are issues of high political import involved when committees are examining things of some sensitivity, like gaming licensing. I do not think it has done any harm at all for the other, non-government parties to play an honest broker role in that process, and I would welcome their continued participation in all of the committees of the Parliament, notwithstanding the views expressed by Mr Viney and his colleagues.

Mr HALL (Eastern Victoria) — While listening to Mr Viney I wrote down six points I want to make in this debate, and I am going to stick to those six points, because this is a week in which we have a big legislative agenda. With nine bills before us, this week will probably be the biggest one we have had this year, and it seems to me that we are wasting valuable time in debating this rubbish motion now before the chamber.

Let me say first of all — as Mr Viney said and as I confirm — that it will come as no surprise that The Nationals object to this motion and will vote against it, because we have been consistently opposed to the system of proportional representation for election of members of Parliament. I do not need to explain to the house the full reasons why we object to proportional representation (PR) as an election system, but I do want to mention the fact that what PR delivers is people represented by parties, not individuals, in the Parliament. None of us could ever claim to be elected as — —

Mr Thornley interjected.

Mr HALL — Just listen, Mr Thornley, and you might learn something.

None of us was elected as an individual to this Parliament; we were all part of a party system, and that is the only reason we got here — because we were part of a party system. We were elected as party members, not as individuals. That is part of the reason why we object to this motion, because it means it does not matter who you are, what your background is and where you live; so long as you belong to a party, you have a chance of being selected to become a member of Parliament. You lose all that local identity and you lose that affinity to a local region under a PR system.

Despite that, the second point I want to make is that the principles of PR have delivered five different parties to this chamber: the Labor Party, the Liberal Party, the Greens, the Victorian Nationals, and the Democratic Labor Party — a simple statement of fact.

My third point is this: there is no logic in suggesting that proportional representation should now be extended to every activity of the Legislative Council, including the selection of members for particular committees of this house. There is no logic whatsoever in that. Simply because we have a PR system to elect members of Parliament, should we therefore use PR to define all the other activities of this chamber? If we use PR, it would mean a simple fact that perhaps, for example, the government — —

Mr Thornley interjected.

Mr HALL — Do you want to listen, or do you want to put your name up there and have a go yourself?

Mr Thornley — I was trying to understand your argument.

Mr HALL — Why don't you listen? You might have a better chance of understanding, Mr Thornley.

The ACTING PRESIDENT (Mr Leane) — Order! Mr Thornley! Mr Hall, through the Chair!

Mr HALL — Perhaps the government is saying that if we applied proportional representation to every activity in this Parliament, it would be fair that The Nationals would get to speak on only 5 per cent of pieces of legislation before the Parliament, because that is all we have here — 5 per cent of the members. Is the government suggesting that we would only participate in 5 per cent of the activities of the chamber? That is the logic of extending the PR system to every activity in this chamber of the Parliament.

I say that the people of Victoria have elected five parties to be part of this Legislative Council, and they expect that the members of the five parties are able to express their views in every forum of the Parliament, including select committees and subcommittees of the chamber, and in debate on legislation that goes through the chamber. We in The Nationals take our responsibilities seriously. That is why my colleague Damian Drum and I have made a conscious effort to ensure that the voices and views of The Nationals are expressed on every piece of legislation that goes through this chamber and that in every major debate in this chamber the views of The Nationals are expressed. Why? It is because we were elected to do so. The people of Victoria said, 'We want two voices of The Nationals in this chamber', and therefore they want us to participate in every aspect of the chamber, and that is why we will continue to do so. That is why we will continue to claim our place on every committee and subcommittee that this chamber forms.

Indeed if proportional representation were applied to committee membership, the fact of the matter is that we would simply never get a seat, as has been expressed quite clearly. The Nationals we would never get a seat, and nor would Mr Kavanagh of the Democratic Labor Party. Under the proportional representation system proposed by Mr Viney in this motion we would never get a seat on any committee of this chamber. That is not what we want, but more importantly I do not think it is what the people of Victoria wanted, because they elected five parties to speak in this chamber.

The last point I want to make — because I have run a few of those points in together — is that in moving this motion Mr Viney made no case to explain how the government is disadvantaged under this system in the way that select committees are formed, nor how the people of Victoria are being disadvantaged. By way of interjection I got an explanation from other members of the government, who suggested that the government is disadvantaged because, whereas in the house as a whole it has to coerce only the Liberals or the Greens or The Nationals — one of those three parties — to support its motion or its legislation to get it through, under the committee system it has to convince two of the other parties represented to get its motion or legislation through.

Mr Thornley — That is not what the people voted for.

Mr HALL — No. I say to Mr Thornley, who keeps interjecting, that what the people voted for at the election was for five parties to be represented in this chamber and for five voices to be heard.

Mr Thornley — In proportion!

Mr HALL — No, the issue about voices being heard in proportion has nothing to do with it. If you were serious about proportion, then I would not be allowed to speak in this chamber until 19 other people had spoken, because we in The Nationals are one-twentieth of the chamber. That is not the way you afford it, nor is it the way you should afford it. In the way we speak in this chamber the accepted practice is that every lead speaker of a party is given the first opportunity to express a party view on a subject. That is why it goes Labor, Liberal, Greens, Nationals, Democratic Labor Party. They should always be the first five speakers, and, generally speaking, that is how the Chair acknowledges the party representation. It is not the numbers in this chamber but the party representation that determines the speaking order, so the logic simply does not apply.

I do not believe the people of Victoria are disadvantaged by the way that this Parliament structures itself and conducts its business according to the formulas that we currently have. I do not believe they expected proportional representation to be extended to every activity within this Parliament. This motion is rubbish. There has been no substantial case to support it, and The Nationals will oppose it with whatever strength we can muster.

Ms PENNICUIK (Southern Metropolitan) — The Greens also will not be supporting Mr Viney's motion. Firstly, I go to the point that Mr Viney made about principles. He made the point several times — and it is in his motion — that the Australian Greens have policies espousing proportional representation and that that is one of our principles. It is one of our principles: we do have policies espousing proportional representation. In fact our national policy says:

... the composition of Parliament should reflect the diversity of opinion within society.

That policy further says that there should be proportional representation in the House of Representatives and in local government. If the government were really serious about proportional representation it would introduce it into the Legislative Assembly as well, because it is not democratic or fair to have single-member electorates for which 50 per cent plus one of the vote is required.

However, I think Mr Hall stole a lot of my thunder by expressing his view that it is not logical to extend proportional representation to every aspect of the way in which the Parliament is run. There are other principles than the principle of proportional representation. In terms of the role of a committee, its role is not the same as the role of a council as a whole. A committee has no decision-making power such as the decision-making power the council has as a whole, unlike, for example, some of the United States Congress committees, which do have decision-making powers.

I put to the house that another important principle is to have a wide diversity of views, and Mr Hall also alluded to this in what he was saying — that is, it is more important in the committee structure. The committees are there to do work and to look at important issues that are before the community. We have two very important committees up already — the one on gaming and the one on public land, which are issues of wide and significant interest in the community. It is very important that the full house is represented on these committees and that there is a wide diversity of views and input into the work of those

committees. That is more important than the principle Mr Viney is talking about — of strict numerical representation — which is not possible in any case, as Mr Davis has pointed out. There is no way that we can have proportional representation on a committee that faithfully reflects the proportional representation in this house as elected.

I would like to go to another problem. Proportional representation is not about one system; there are several systems around the country. The Senate uses the Hare-Clark system, which is also used in the Australian Capital Territory and Tasmania. The New South Wales upper house is elected similar to the Senate — that is, the whole state of New South Wales is the electorate — and that is the same in South Australia. Western Australia has regions, like we do.

Under Victoria's new system for electing members to the Council there are eight regions with five members in each region, and it is not a perfect system. Probably the most perfect proportional representation system is the Hare-Clark system. The one that we have in the Victorian upper house is certainly not the most perfect system. It is not the most perfect system to have regions, because you get the problem of double rounding. We have 40 members in this house who are not from the same electorate, so some parties get rounded up and some get rounded down.

Mr Viney tells us the ALP has 47.5 per cent of the membership of this house, but it got only 41 per cent of the vote in the upper house. The Liberals got 34 per cent of the vote, and they have 37.5 per cent of the members. The Greens got almost 11 per cent of the vote, but we have only 7.5 per cent of the members, so we were rounded down. In fact we are the least represented in terms of our actual vote achieved and our representation here. The Nationals got 4.5 per cent, and they are 5 per cent of the chamber. The Democratic Labor Party got around 2 per cent, and Mr Kavanagh is 2.5 per cent of the chamber. So there is nothing perfect about it.

Honourable members interjecting.

Ms PENNICUIK — He cannot be rounded down much further than that.

Having said that, when we have talked about committees — and I have talked about this with members of the government as well — the non-government parties have come to the view that it is in the interests of the Council that every party be able to be heard and participate as much as is humanly possible.

Mr Hall talked about every party speaking on the bills and the President always acknowledging the lead speaker from each party. That is not proportional; it is about a principle of participation and involvement and hearing the voices of everybody here. Obviously Mr Kavanagh does not always speak on every bill, but if he wishes to speak, he is acknowledged as the lead speaker for the Democratic Labor Party. We are talking about a really important principle — that is, a spirit of cooperation and a spirit of participation all parties. That is much more important in committee work than a slavish adherence to proportion — which we have already established, anyway, is impossible.

By way of example, if you look around the country, you see that there are different ways that committees are set up. In the Senate the membership of the select committees varies. Those committees have between five and nine members, and the political parties nominate members to them. In the New South Wales Parliament, as I said before, the upper house is elected to represent the whole state, so there are no upper house members representing regions and the membership of committees tends to reflect the make-up of the Parliament. Then again they do not have the situation we do of regions, of double rounding and so forth, so they have a lower quota and a wider range of parties. In the Western Australian Parliament — picking up Mr Davis's point — ministers are not eligible to serve on committees. The Parliament has Legislative Council committees which range between having three and five members. On the Tasmanian committees there are three to five members.

Each house of Parliament looks at its own situation. Perhaps if we had a different make-up in the Parliament or the Legislative Council, we would have come to a different arrangement, but we have come to this arrangement using the principle of maximum participation by every party.

I would have to say also that my small experience on the public lands committee has shown me the great advantage of having every party represented there. Without giving anything away, in the deliberative meetings, where there may not be agreement, you get several points of view, and that is always of assistance in coming to an agreed resolution. The more heads and the more points of view the better, and having less is not better.

I have to take up Mr Viney's point, which I know Mr Hall tried to get an answer on, and say that I cannot see how there is a disadvantage to the government if you are taking the point of view of sticking to the principle of participation, involvement and input into

the committees. If the ALP, or the government, has two members on a committee, I cannot see how its point of view is not put clearly by those two members. That is actually what we want; we do not want Labor members to actually dominate the committee, we want them to be able to give their point of view, and we want the same for the Liberal Party.

The way we have constituted the committees is such that the two members are well able to give their party's point of view. That is actually what you want — the input and the different points of view and ways people might be approaching a problem. I repeat that the important principle here for the committees is that when you are doing important work, the points of view of all the people of Victoria who have voted to be represented here are represented, so that the work of committees is done in a much better way than if voices are left off them.

I did a lot of work looking at what goes on around the world, but I think I will leave it there. I make the point that the way the house is working — in terms of allowing whoever wants to, to speak on a motion or a bill or to make a statement or ask a question — is in a spirit of cooperation, and I think that that can also be reflected in the way the committees are constituted. It also means that the committees will not be too big, that they will be efficient in the way they work and they will not tie up too many people in a way that larger committees would. The Greens will not support this motion.

Mr PAKULA (Western Metropolitan) — It has become pretty clear from the debates in this chamber over the previous 6 to 12 months that these inquisitions are about to become a standard feature of the operation of the Legislative Council. Tomorrow we are going to debate the grand inquisition which Torquemada wants to set up in here.

An honourable member interjected.

Mr PAKULA — Well, it is like a Spanish Inquisition. Every time the media speculates about something, we seem to have a Legislative Council inquiry. If the votes are there for tomorrow's motion, we will be having a standing inquisition effectively commencing after tomorrow's debate. The government has made clear its view about the commissions or the committees that have been set up in the past. We have not accepted the necessity for the particular select committees that this chamber has set up, and I certainly will be interested to hear the justification for the permanent committee that we are going to hear about tomorrow. The government indicated all along that it

did not, for instance, believe the Select Committee into Gaming Licensing was necessary.

I just want to digress for a moment, because there is an important point to make about this. The opposition and the minor parties suggest that Legislative Council select committees are the only way that governments can be held to account. We had this debate with the setting up of the review panel, which resulted in what has commonly become known as the Merkel report, and I think it is instructive to go back to what the opposition said about the Merkel panel when it was created. Mr Guy described it as a joke. Mr Drum said that the panel would be forbidden from going after points of interest. Mrs Kronberg said the process was a sham and that the report of the panel would not be tabled in the Parliament. Mr Atkinson said that Mr Merkel would come out of the process tarnished and diminished, and that taking the gig would do no credit to his career.

All of those speakers probably owe Mr Merkel and the members of the review panel an apology, because the predictions of gloom and doom were wrong. It was, as the government argued, a robust panel. It was, as the government argued, a panel with wide-ranging power. It was, as the government argued, a panel which produced a detailed report. It had access to information that the select committee could not have and was never going to have, because Mr Merkel and his panel were authorised persons under the Gambling Regulation Amendment (Review Panel) Act and they did not have a political motive.

Anything of relevance that either the motion about the tabling of the Victorian Commission for Gambling Regulation report tomorrow or indeed the select committee in its totality would hope to discover was discovered by Mr Merkel and the review panel, and the answers that the Parliament has sought have been provided by it. So we do not accept that select committees are the only way to examine the government's operations, but we do accept that they are now going to be, as appears likely, fairly much a permanent feature of the operation of this house.

If that is the will of the majority of this chamber, so be it, but what the government says about that is that if that is the way the Legislative Council is going to conduct itself, then it should at least get the representation of those committees right. It should apply the principles that led to all of us being here in this chamber, and the principle above all that led to all of us being in this chamber was the principle of proportionality.

Despite attempts by Philip Davis, Mr Hall and Ms Pennicuik to downplay it, nobody can dispute the

fact that the Australian Labor Party in government has 47.5 per cent of the members of this chamber, and nobody can dispute the fact that if the same proportions were applied to the two select committees which have so far been established and to the standing inquisition that may well be set up after tomorrow, the government would have 28.5 per cent of the members of those committees and apparently of all other committees.

Mr Hall, Ms Pennicuik and Mr Davis have talked about a number of principles, including the principle of fairness and everyone being represented, but the principle of consistency, the principle of proportionality and the principle of fairness demand — and here I agree with Philip Davis — that the government should have 50 per cent less one. It should have three out of seven on a seven-person committee, one out of three on a three-person committee, four out of nine on a nine-person committee and two out of five on a five-person committee, because that is the will of the people. They are the proportions in which the parties have been sent to this chamber.

Mr D. Davis — No, not true.

Mr PAKULA — Mr Davis says it is not true. I defy him to indicate how it is not true, because the fact is that even on the figures that Ms Pennicuik read out, the proportions that are represented in this chamber are far, far closer to the parties' primary votes than the gerrymandered committee that the opposition is seeking to set up.

Mr D. Davis — They will have zero representation.

Mr PAKULA — No, that is not right either. Let us go through the arguments against Mr Viney's motion. Mr Davis, followed on by Mr Hall and Ms Pennicuik, indicated that everyone should be represented. Since when was that the overriding principle that should be applied in a democracy? If we followed that logic, a quota for representation in this Parliament would not be 16.66 per cent, as it is. It might be 5 per cent or it might in fact be 2 per cent, and then we would have all sorts of people represented in here. We would have Family First in here, we would have People Power in here, we would have the Australian Democrats in here and we might even have the Citizens Electoral Council in here. If anybody wants to argue that that is more representative, let them argue it, but the fact is that we do not have a principle or a democratic model that says that everybody gets represented. We have a democratic model that says that people are represented in this chamber in accordance with their proportion of support — with limits.

If we take Mr Davis's argument to its extreme and Mr Hall's argument to its extreme, if this chamber were not a chamber of 40 but a chamber of 100 and if someone were represented in this chamber by one member — 1 member out of 100 — then that one member would be entitled to a spot on every select committee in this chamber and on every body of this chamber. I do not think so.

Mr Hall — It is your system. You put it here — you cop it!

Mr PAKULA — It is a system of proportionality, Mr Hall, and we are asking that you cop it. We are asking that you cop the same system by which people were elected here. Mr Hall talked about the fact that there are five parties in this chamber and that they all have to be represented. That is based on the spurious logic that a party that is represented by one MP — and this is meant with no disrespect to Mr Kavanagh or the DLP (Democratic Labor Party) — is entitled to the same rights and the same representation as a party with 19 members elected by almost 50 per cent of the population. That is an argument that is deficient in logic. A democracy simply does not work on the basis that everyone gets represented equally, despite the fact that one group might be supported by 40 to 50 per cent of the public and one group might be supported by 2 per cent.

Let us go through some raw figures. The Australian Labor Party has 19 members out of 40 in this chamber, and it will have two members on this committee. The DLP, the Greens and The Nationals combined have six members in this chamber, and they will get three members on the select committee, so 6 out of 40 gets you 3 and 19 out of 40 gets you 2. If anybody wants to stand up and argue that that is fair, that is representative or that is proportional, I invite them to do so, because despite all of the crocodile tears and the histrionics, the people arguing that case know it is bogus. They know that that is a bogus argument.

Mr Hall — Talk about parties, because that is what your system elected here — five parties!

Mr PAKULA — I will take up Mr Hall's interjection. Five parties have been elected here, but not in the same proportions and not with the same members or representatives. Mr Hall's party has been elected here with two members; the Labor Party has been elected here with 19 members. It is not the same. Concerns have been raised — not in debate, but in other discussions — that we can apply the same argument to standing committees. The fact is that if the government applied the same argument to standing committees, we

would not have 5 out of 10, we would have 6 out of 10. But the fact is it is not needed on joint standing committees, because they are more or less allocated proportionally and they are not the subject of the rort that is being pulled in here.

The other question that has been asked by both Mr Hall and Ms Pennicuik, which I think is an interesting one, is: how is the government disadvantaged? It is not a matter of how the government is disadvantaged; it is a matter of how the Parliament is disadvantaged. I think it is impossible to understand this debate in totality without referring to the debate we are going to have tomorrow. The debate we are going to have tomorrow involves Philip Davis putting forward a motion to set up an inquisition, otherwise known as a standing committee on finance and public administration.

Mr Guy interjected.

Mr PAKULA — Mr Guy might want to listen, because this is an important point and one day the shoe might be on the other foot. The proposed motion — —

The ACTING PRESIDENT (Mr Finn) — Order! I warn Mr Pakula about anticipating tomorrow's debate, as that is clearly against the standing orders. There is room for some passing comment, but he should not anticipate the debate that we expect to have tomorrow.

Mr PAKULA — By way of clarification, I propose not to anticipate the debate but make reference to the proposed motion.

The ACTING PRESIDENT (Mr Finn) — Order! I reckon Mr Pakula should be able to get away with that.

Mr PAKULA — Paragraph (8) of the proposed motion states:

The committee may inquire into any proposal, matter or thing that is relevant to its functions which is —

(a) referred to it by resolution of the Council ...

That is fair enough:

(b) determined by the committee.

Let us understand the import of that subparagraph: the committee will be able to self-reference. The committee will be gerrymandered. In other words, the committee might make a decision or resolve that it wants to investigate a matter — it does not matter what it is — —

Mr D. Davis — On a point of order, Acting President, it seems to me that the member is debating precisely the point of tomorrow's motion. This is a matter of anticipation.

Mr Viney — On the point of order, Acting President, with regard to my opening remarks in this debate and, I believe, the remarks of Philip Davis, Leader of the Opposition, in response to my contribution, I made the general point that today's motion was put forward because of tomorrow's proposed motion. I explained that it is reasonable for Mr Pakula— and I accept that he cannot debate the proposed motion in a detailed way — to make reference to issues which are of relevance in terms of how the committee structure might impact on the decisions of the committee.

The ACTING PRESIDENT (Mr Finn) — Order! I have heard what Mr Viney has said, but clearly the standing orders state that incidental reference can be made to a debate that is coming toward us. Before Mr Davis made his point of order, I was seriously considering jumping in and pulling up Mr Pakula and pointing out this issue. I ask Mr Pakula to return to the motion and not anticipate the debate we will be having tomorrow.

Mr PAKULA — Thank you for your ruling, Acting President. I think I can make my point without anticipating tomorrow's debate.

It is quite plausible, for example, that a committee set up by this house may seek a self-reference on a matter of any nature and that even though the Labor Party and the Greens represent 22 of 40 votes in this chamber, those parties would only represent 3 of 7 votes on that committee. That would be fundamentally undemocratic.

Mr Barber interjected.

Mr PAKULA — I take up Mr Barber's interjection, even though he is not in his place. It may well be that the Liberal Party, the Democratic Labor Party and The Nationals, which together do not make up a majority in this chamber, would seek to refer a matter to that committee by a motion of that committee and that even if the Labor Party and the Greens, who represent a majority in this chamber, opposed the motion, that reference would be made. That reference would be made by that committee acting alone and under its own reference even though the majority of the committee would not represent a majority on the floor of this chamber.

This issue is not about just whether the Labor Party is disadvantaged. It is fundamentally an undemocratic position for a standing committee of this chamber to be able to make a decision that does not reflect the view of the majority of this house. Might I say in relation to the Greens party, given its status of having the balance of power in the chamber, that it is absolutely akin to turkeys voting for an early Christmas. I cannot for the life of me understand why the Greens would want to refer their status as a party which holds the balance of power to an undemocratic committee.

Whilst the arguments put forward by Mr Hall, Ms Pennicuik and Mr Davis are clever debating points, they do not stack up. The fact is that this motion simply seeks that the Legislative Council apply the same rules to its committees that it applies to itself. It is about ensuring that the parties that are represented in this chamber are represented proportionately in the committees of the Council. The Liberal Party would not put forward this argument anywhere else. It is not reasonable to suggest that the overriding consideration is that everyone is represented and that a party with 1 member in this chamber has the same status as a party that has 19 members in this chamber.

It is not reasonable for Mr Hall to suggest that if this motion were adopted, The Nationals would miss out. I point out to Mr Hall that even on the Labor Party's best construct, the non-government parties would have four of seven members on the proposed committee. They could get together, as they have on numerous occasions in the last 12 months, and divvy up the spoils of that committee. It is disingenuous to suggest that they will be locked out, as The Nationals seem to be suggesting. It is disingenuous to suggest — and it would not be proffered by the Liberal Party in any other forum or in any other circumstance other than this — that three political parties, which between them have 6 members out of 40, should have more members on a select committee than a party that has 19 members out of 40. It is disingenuous and it would not be argued by the opposition anywhere else.

This motion is about bringing a modicum of fairness to Legislative Council committees. It is about ensuring that the proportions and the decision-making power which apply on the floor of this chamber are translated, even if only roughly, to the considerations of select committees, and more generally it is about the Council as a body expressing a view about the principle of proportionality. That is the foundation upon which the chamber is now constituted, and it is about ensuring that we have a select committee process that is not just robust and investigatory but which also reflects, at least broadly, the proportions in which the parties in this

chamber have been elected to this chamber by the people.

Mr RICH-PHILLIPS (South Eastern Metropolitan) — There is no doubt that this debate is about the government attempting to regain or reassert control in this chamber and in its committees. The issue of proportional representation and the representation of the parties is an interesting one. I was just reflecting that in the previous Parliament the Labor Party had roughly 57 per cent of the seats in the chamber and it used that 57 per cent of the seats to exert 100 per cent of control over committees and over every vote that took place in this chamber. There is no doubt as to the nature of Mr Viney's motion here this afternoon. It is about the government seeking to exert more control over the operation of this chamber and more control over the operation of this chamber's committees in the way that occurred in the previous Parliament.

Ms Pennicuik spoke in her contribution about the electoral result last year and where it left us in this chamber. Last November 2 976 929 Victorians cast formal ballots for Legislative Council representatives. Of those 2.9 million voters, only 41 per cent voted for the Labor Party, yet we have 47.5 per cent of the positions in this chamber held by members of the Labor Party.

Mr Pakula — We will take the 41 per cent for the select committee.

Mr RICH-PHILLIPS — Mr Pakula says the Labor Party will take 41 per cent.

Mr Pakula — On the select committee.

Mr RICH-PHILLIPS — On the select committee. It will not take the 41 per cent in the house that it is entitled to because that would mean the loss of three seats, because the Labor Party actually has 3 seats more in this chamber of 40 than it would be entitled to than if it was represented — —

Mr Pakula interjected.

Mr RICH-PHILLIPS — The Liberal Party would have one seat less. It is the Labor Party that is overrepresented by 6 per cent in this chamber, by more than any other party in this chamber, and, as Ms Pennicuik pointed out, the Greens party is the only party in the chamber that it is underrepresented in terms of its parliamentary representation versus the number of votes it obtained in the election last November.

It is an interesting argument for the government to come in and hang its hat on 47.5 per cent when it is, by

the vote of the people, only entitled to 41 per cent. That reflects that there is no perfect system of representative democracy. The system that elected the 40 of us to this chamber is not perfect, and the system that appoints subordinate committees from this chamber is not perfect. But what we need to strive to do is make a system that is representative of the views of the people who elected us to this place.

I would submit that what Mr Viney's motion seeks to do does not reflect the views of the people who elected us to this place, because if you apply Mr Viney's proposal that we use the same system of proportional representation that was used to elect elected members to this place and then apply it again effectively in appointing members to select committees, what you will have is a vastly different scenario from proportional representation according to the votes cast last November.

Applying Mr Viney's motion to the existing select committees — the two select committees of seven — would result in the Labor Party having 3.8 quotas to vote on a seven-member committee, the Liberal Party having exactly 3 quotas, the Greens having 0.6 of a quota, the DLP (Democratic Labor Party) having 0.2 of a quota, and The Nationals having 0.4 of a quota. You would have a scenario where six of the seven spots were locked in, with the government having three and the Liberal Party having three, and the Labor Party being able to determine who got the seventh spot by virtue of voting its 0.8 quota. So effectively the Labor Party would control the appointments to the committees by choosing where it would vote its 0.8 quota, with whichever of the minor parties it thought would best suit its circumstances for the particular committee.

That is not the representative form that Mr Viney talks about. That is a form of mechanism for appointing committees that would restore government control to how those committees are set up. We have to remind ourselves that that is what this motion is about. It is not about equal representation on committees according to the vote cast last November; it is about restoring government control to the processes of this house.

I would like to touch briefly on the issue of the existing two select committees and how they operate, because Mr Viney in his contribution, and Mr Pakula to a lesser extent, spoke about a gerrymander — the fact that the Labor Party has two members on each of the existing select committees, the Liberal Party has two, The Nationals have one, the Greens have one and Mr Kavanagh represents the DLP. Mr Viney complained that under that scenario the government members need to attract the support of two

non-government members to carry a position in those select committees. What he did not point out is that that is exactly the same scenario for the Liberal Party. Neither David Davis nor I, as the respective chairmen of those select committees, gets a vote in the committee's deliberations, so the Liberal Party is actually reduced to one deliberative vote on those select committees at a time when the Labor Party has two.

For a motion to be carried in support of the government in the select committees, the government needs to attract the votes of two members of the other parties — the Greens, The Nationals or the DLP — as does the Liberal Party. Mr Davis and I can exercise a casting vote in a select committee only if there are already three votes on the floor of the committee, so two other votes from the minor parties are needed in support of the position taken by the Liberal member for that member to get a motion carried. The Liberal Party has no advantage over the government and the government is not disadvantaged relative to the Liberal Party when it comes to the operation of those two select committees. That is the scenario that would play out in future committees that consisted of seven members.

This motion today is not about providing representation in proportion to the votes cast last November. It is about providing the government with further control over the committee system. It has been apparent with every motion moved by the government in this regard this year that the government is trying to achieve control of this chamber. Despite having introduced proportional representation, the government members resent the fact that it has cost them control and resent the fact that there are minor parties that collectively have a majority over them. I would urge members of the chamber to reject this motion for the hypocritical exercise it is in trying to restore government control of committees in this place.

Ms MIKAKOS (Northern Metropolitan) — I am pleased to be able to rise to speak in support of Mr Viney's motion, because all we are asking for here is consistency in terms of how the select committees are represented by this chamber, and to be consistent with the method by which members of this chamber have been elected.

I want to acknowledge the very detailed contribution Mr Viney made at the outset of this debate, when he talked about the Labor Party's very strong commitment to democracy and the fact that it is the party that twice brought legislation to this chamber to introduce proportional representation. We knew full well that that system of election would jeopardise the majority that the government had in the previous Parliament.

Mr Rich-Phillips talked about taking control of committees. He completely ignored the fact that it was the Labor Party which, when it actually had the majority in this chamber, did the right thing by the Victorian people and sought to implement the policy it had had since 1985 to introduce proportional representation for election to this chamber.

I said we are asking for consistency. I note that when it comes to other committees that are made up solely of members of the Legislative Council they have a different composition. In particular I draw attention to the Legislation Committee, which is a very important committee. I was involved in its trial run last year, and Mr Viney very capably chaired it. You could say it was an experiment by this chamber to look at how we could strengthen our parliamentary committee system. The Legislation Committee has yet to be called upon in this Parliament to do its work. As is outlined in chapter 16.03(1) of the standing orders that were adopted by this chamber only last year, this chamber has committed itself to the following:

The membership of the committee must, so far as is reasonably practicable, be proportional to party, minority group or Independent membership in the Council.

That is in fact a principle that the Leader of the Opposition in this place also supported, because he was involved in the experiment we undertook last year to establish the committee.

Mr P. Davis interjected.

Ms MIKAKOS — All we are asking for, Mr Davis, is that you recommit to this principle, which only last year you believed was all well and good to apply to the Legislation Committee, and apply the same principle to select committees.

Parliamentary committees are a very important part of the work that we do. I was very pleased, despite being a parliamentary secretary, to have the opportunity to serve again on a parliamentary committee. I am now a member of the Drugs and Crime Prevention Committee, and in the first term of the Bracks government I served on the Scrutiny of Acts and Regulations Committee. I have seen at first hand the important work these committees can do, and I acknowledge that they have an important place in our parliamentary democracy.

Upper house committees can also perform a very useful function. Members talked about keeping the executive accountable. Those intentions are laudable, and the government has sought to support the strengthening of our committee system, as I said before, through the

establishment of the Legislation Committee, which this Legislative Council had never before had. I look forward to the Legislation Committee beginning its work at some point by meeting and helping this chamber to do its function in a more effective way in the future. What we are asking for here is a bit of consistency.

The Legislation Committee is composed of three Labor members, two Liberal members, one Nationals member and one Greens member — that is, four non-government members as opposed to three government members. Let us contrast that with the membership of the two select committees that have been established. On the Select Committee on Gaming Licensing there are two Labor members and five non-government members, and on the Select Committee on Public Land Development there are two Labor members and five non-government members.

What we are asking for here is a little bit of consistency in the approach taken by the non-government parties. I draw to their attention other examples that we can look at, such as the Senate. I shall quote here information from the Australian Parliament website, where it is stated in the pages that relate to the Senate:

The non-government nominees are usually determined by agreement between the opposition, minor parties and Independent senators. The nominations are then proposed to the Senate, which formally appoints those senators named in the motion.

We are not seeking to exclude the minor parties — the Greens, The Nationals, or the Democratic Labor Party — from participating in these select committees, but we are saying that if you look at the Senate example, what happens there is that the non-government parties get together and work out amongst themselves what their representation should be on those Senate committees. That is a model that we could well follow here in our own chamber. We could have the Liberal Party, for example, giving away perhaps one of its spots to members of its loose coalition to enable them to participate in select committees.

I also note that Senate standing order 163 provides for the holding of a ballot where agreement is not able to be reached. That is what Mr Viney in his motion is proposing should be replicated here. He says that if we cannot reach agreement between the parties on the composition of select committees, we should put it to a ballot that would follow the method of election for this chamber — proportional representation, which is the method by which we were all elected to this place — in proportion to the vote that each party received at the

last election. I note that the New Zealand Parliament has a similar system. The New Zealand Parliament's website refers to 'parties represented in proportion to party membership in the house'. The New Zealand Parliament also has a ballot system that applies when agreement cannot be reached. So a number of other parliaments and parliamentary chambers have introduced a ballot system and have a system that is based on proportionality, because that is the fair system.

The Labor Party supported proportionality because it wanted to give people of all political complexions and persuasions a voice in this chamber. I think we have achieved that. We have a very broadly reflective chamber now, which is very different to what we have had in the past. It is important that those people who gave their support to the various parties are able to see them represented on the bodies delegated by this chamber, such as select committees, according to the same level of support those parties received at the election.

I noted that in his contribution the Leader of the Opposition talked about excluding members of the executive from select committee membership. There has never been an attempt by this government to put ministers on to select committees. It is a Westminster tradition that ministers not be involved in such committees, and I certainly would not want to see that occurring in the future. There certainly will be no attempt to do that. However, Philip Davis talked about parliamentary secretaries, who are not formally members of the executive. I thought it was interesting that he had forgotten about a former Leader of the Opposition in this place only a short while ago, Mr Bill Forwood.

As I recall it, Mr Forwood chaired the Public Accounts and Estimates Committee while he was the Premier's parliamentary secretary. Whilst it was okay for the Kennett government to have a parliamentary secretary chairing what I would argue is the most important parliamentary committee in our system, the Public Accounts and Estimates Committee, Mr Davis thinks parliamentary secretaries that belong to the Labor Party should not be involved on parliamentary committees. As I said before, I am really pleased to be involved again as a member of a joint parliamentary committee. Members who are not formally members of the executive are able to make very valid contributions on parliamentary committees.

The Greens representative, Ms Pennicuik, acknowledged in her contribution that her party has had a longstanding commitment to proportional representation. I also know that the Democratic Labor

Party has had a longstanding commitment to proportional representation. I call on members of those parties in particular to reflect on that longstanding commitment to proportionality in relation to how they conduct themselves in this chamber.

As a government Labor has been very fair, through the standing orders, in ensuring that the smaller parties have a real voice in this chamber and are able to participate in the parliamentary process through question time, members statements, the adjournment debate and other mechanisms whereby issues can be raised on behalf of their constituents, and that is as it should be. However, when they get themselves involved in attempts by the Liberal Party — and I think it really is the Liberal Party driving this — to set up select committees that have really become witch-hunts or fishing expeditions to try to create stories in the media about whatever issue might be topical at the moment, they need to be very careful about the way they are being used by the Liberal Party.

What I am proposing is not that the small parties be excluded from membership of select committees but that we basically move to the Senate model, whereby the non-government parties can get together and work out representation on select committees that is proportional to the representation in this chamber. With those words, I support Mr Viney's motion.

Mr D. DAVIS (Southern Metropolitan) — I am pleased to make a contribution to this debate on Mr Viney's motion, but I place on record the concerns of the opposition about the motion. I think it is misguided on a number of levels. A number of values exist in terms of electoral systems and representation. No system is perfect. Majoritarian systems operate on a first-past-the-post basis, preferential systems have certain values and outcomes and proportional representation systems have certain strengths. Whatever electoral system we have will deliver results that are not always 100 per cent fair in terms of representation and their outcome.

We have heard figures quoted in this chamber today to show that Labor is overrepresented in terms of the electoral outcomes in Victoria, that the Liberal Party has much less representation and that the Greens are underrepresented — Ms Pennicuik's contribution made that clear. Mr Hall's contribution made it clear that, importantly, the electoral system has delivered to this chamber five different parties or groups: Labor, Liberal, Greens, a DLP (Democratic Labor Party) representative and The Nationals. Those are the facts of this system, whichever way you look at it. You might argue that the system could be reformed or changed to be made

fairer — there are always arguments about changes to electoral systems leading to more representative results — but the idea that in the case of every committee you could then simply replicate precisely the representation in the chamber is fanciful.

The only way the chamber can be replicated precisely is through a committee of the whole. There are 40 members: 1 DLP member, 3 Greens members, 2 from The Nationals, 19 Labor members and 15 Liberal members, and the only way that spread of people can be accurately represented is in a committee of 40. Therefore any committee system will have approximations, and it is important to place on the record that as well as the need to have a representation of the chamber, there is a need for a participatory mode. Democracy is not just about representation; it is also about participation. Participatory democracy is an absolutely critical value in this debate today.

In talking about how we could set up a system, I will pick up some of Ms Mikakos's points when she talked about how this could all be worked out collaboratively. That is not what the government's motion actually says. It says 'must be determined by a proportional representation ballot'. The truth of course is that this would lock the chamber into one format — one approach — for every committee. That is deeply problematic. There should be flexibility on a case-by-case basis for the chamber to make different decisions.

It may be that on certain issues or on some occasions we may choose a representation in the chamber that is not a party-based representation. There are in many cases issues that cross party lines and lead members of this chamber to come to conclusions that might see a situation occurring in the future where a joint committee, the Legislation Committee or a select committee might not be composed on a strict party representation basis. I do not believe that option should be counted out forevermore in this chamber, as Labor would seek to do by imposing a straitjacket in the form of a rigid system.

I make the point that whilst the two current select committees, like every committee of this chamber, are necessarily an imperfect representation of the members of the chamber, they do have the value of allowing participatory democracy to thrive. That means allowing each of the five groups represented in this chamber to have their say at the committee level, with the committees having the option of reporting back to the chamber as required by their terms of reference. As they are currently functioning, the select committees represent the fairest approach that could be adopted by

this chamber. The two major parties are represented, and as Mr Rich-Phillips pointed out, the chairs are opposition members who vote only when there is a tie or a lack of clarity. At the same time each and every one of the five parties is in a position to put its case within the confines of the select committee and thereby have an opportunity to influence the outcome of a report to this chamber and the other decisions that committees properly make.

I think there are two important values here. One is representation; the other is a participatory democracy question. I think that for some reason the Labor Party has overlooked the value of the participation that is part of the two select committees that exist now. I would not want to see a rigid straitjacket imposed on the chamber in terms of the future shape of select committees and the mechanisms for appointing members. That would be unfortunate; it would allow a less flexible, less fair and less reasonable outcome than the situation which currently exists. The only totally representative committee is the committee of the whole. The arrangements that exist at the moment are a fairer arrangement than the one the government proposes. They also have the advantage of allowing the chamber, from time to time, to come to different arrangements if they were believed by the chamber to be a better way to go.

I was disappointed on hearing the arguments Mr Viney put forward in his presentation, and I do not believe they hold much weight, but I was impressed by the arguments led by Ms Pennicuik and Mr Hall. I personally and the Liberal Party are very concerned that this motion has been moved. I see it as an attempt to impose into the future a rigid outcome and a less fair outcome in terms of either representation or participatory democracy.

Mr SOMYUREK (South Eastern Metropolitan) — I do not propose to talk about the intricacies of proportional representation today. The speakers before me on our side, Mr Viney and Mr Pakula, have eloquently and succinctly delineated the advantages of proportional representation. My brief contribution will focus on the extraordinary decision by the Greens essentially to vote against proportional representation.

I do not want to talk about how grateful the Greens should be to this side of politics for introducing proportional representation and therefore allowing them representation in this place, because I know that the Greens are, or allegedly were, supporters of the concept of proportional representation. The Greens have come into this place with all guns blazing. Mr Barber, in particular, has come into this place waving around a

Greens policy framework entitled *Making Parliament Work — Ideas from the Greens*. That document makes constant references to the evils of executive dominance. To be fair to the Greens MPs, they have consistently talked about the evils of executive dominance and how the executive usurps parliamentary democracy in this state.

Mr D. Davis — In your government's case, it certainly does.

Mr SOMYUREK — I concede, and Mr Davis must concede, that due to strong party discipline in Australian politics under the Westminster traditions, the executive dominance is probably greatest in Australia. That is due mainly to the strong party discipline.

Mr D. Davis — In Labor it is the strongest.

Mr SOMYUREK — I know, it is very strong; executive dominance is very strong. Just ask Mr Petro Georgiou how strong executive dominance was in the Liberal Party federally.

Mr D. Davis — He actually did cross the floor — —

Mr SOMYUREK — It is the same in the Liberal Party, too, so let us have a bit of bipartisan agreement here.

Mr D. Davis interjected.

Mr SOMYUREK — Mr Davis, an effective way of combating executive dominance, according to the Greens, is the introduction of proportional representation in the lower house, so says the policy framework *Making Parliament Work — Ideas from the Greens*. I am a little confused as to how they propose to lobby or mount a cogent argument for proportional representation in the lower house when they oppose proportional representation as proposed in this motion. With that, I commend the motion to the house.

Mr GUY (Northern Metropolitan) — Thank you, Acting President; it is always a pleasure to see you in the chair. I will start by saying that I do not intend to spend a large amount of time on this motion, as many other members have not spent a large amount of time on it, principally because I think all of us acknowledge that it is a ridiculous motion. It is a symbol of an arrogant government, an out of touch government that is prepared to move motions which contain factual inaccuracies and which smack of humbuggery.

This motion contains a number of factual inaccuracies, which I will come to. The worst part of this motion is

the thought and the premise that comes behind it — that is, the culture of owing and the Labor Party belief that the minor parties in this chamber owe it for being here, they owe it for their position, and therefore they owe it their vote. I refer to none other than the speech of the man who spoke before me, Mr Somyurek, who said that those minor parties should always remember why they are here.

Mr Somyurek interjected.

Mr GUY — He said, ‘They should remember why they are here’, and that those minor parties in effect owe their vote to the Labor Party. That is what is behind this motion, that is what is behind Mr Viney’s intent in moving this motion, and that is why this motion is disgraceful. It is an abuse of this Parliament and is a reflection upon those here — —

Mr Thornley interjected.

Mr GUY — Indeed, the rampant idiocy of people like Mr Thornley of walking into this chamber and expecting that members opposite should simply follow his intellectual lead, as he likes to put it to this chamber, and should vote the way he sees it because he is better than them does not stack up. That is what this motion says about the minor parties. The Labor Party believes that its members are better than members on this side. I say, and members of other parties in this chamber say, that the Labor Party needs an experience of democracy.

There are four subparagraphs in the first paragraph of the motion. Paragraph (1) states:

(1) this house notes —

and at subparagraph (c) —

that the Liberal Party uses proportional representation for internal party elections;

Let me put it on the record that the Liberal Party has never had nor has it, to my knowledge, any plans to ever use proportional representation for internal party elections. It does not, it has never, and it will not. For Mr Viney’s sake: in proportionality that is 1 in 4, or 25 per cent, or one-quarter of his motion in (1)(c) that is factually wrong.

Mr Viney interjected.

Mr GUY — It is wrong, Mr Viney.

Mr Viney interjected.

Mr GUY — Mr Viney rolls into the chamber and stands by this motion. Mr Viney can stand by this

motion, but it is factually wrong. He bases his argument on the premise of, classically, nothing. Maybe he did a Google search, a *Hansard* search, a Yahoo search or some other search to see what would come up about Liberal Party internal voting systems. But I checked with the party this afternoon. I said, ‘We have a motion before the Parliament, can you please advise me: has the Liberal Party, in its 63-year history used proportional representation for internal party elections, because it is a quarter, 1 in 4 or 25 per cent of the material that Mr Viney will be using to back up his argument in the chamber?’. Of course it is not right. It has never been right. That just underlines the arguments Mr Viney put to the chamber. He walked into the chamber with factual inaccuracies, presented them to the chamber, and said, ‘I urge you to accept this as fact’. He is wrong.

Let us look at the history of the Labor Party’s attitude towards upper houses. Members opposite like to avoid talking about this, but the Labor Party has a long history right throughout this country of opposing not only voting systems in upper houses but the very existence of upper houses.

Mr O’Donohue — We are lucky to be here.

Mr GUY — Mr O’Donohue is right, we are lucky to be here, given this government’s view. Which party abolished the Queensland upper house in 1922? It was ‘Red’ Ted Theodore’s Labor government. In 1922 it stacked the upper house full of Labor people — a very useful tool of the Labor Party; it has gotten to master that pretty well — and voted it out of existence.

Let us have a look at comments by the former New South Wales Labor Treasurer, Michael Egan. He said the upper house was ‘unnecessary’, and had a longstanding view to abolishing it, despite being a member of it for 20 years.

Let us go to South Australia. In November 2005 the then Premier of South Australia, Mike Rann, said it was:

... time to modernise our Parliament so it reflects the demands and expectations of a confident state as it prospers ... Let’s face it, in my view the upper house has become a relic of a time in our democratic history that is long gone. It is past its use-by date.

That is another one.

We should never forget the comments made by the failed Prime Minister Paul Keating. The then Prime Minister called his upper house ‘unrepresentative swill’. The Labor Party and the labour movement have a long history of disrespect for upper houses, of the

belief that upper houses should not exist — that they should either be simply a rubber stamp for Labor governments or be abolished. That is the history of the Labor Party throughout Australia.

Members will also note, as has been referred to a number of times in this debate, the Victorian Labor Party's previous policy of abolishing this chamber. This policy was only changed in 1985. Mr Viney said it does not matter why the policy was changed. It does not matter if it is used to stack for electoral advantage. It does not matter why, but that is why it is there. We had the absurd situation in 1991, in the dying days of the Kirner government, of the government trying to introduce motions to stack the upper house so that the Labor Party might have some representation following the 1992 election.

I have heard Mr Viney put some remarkable arguments in this chamber about electoral gerrymandering and make some pretty derogatory comments about Queensland. I would like to give Mr Viney and other members opposite a history lesson. The question is: did Joh Bjelke-Petersen's government actually change the electoral law to stack the Queensland voting system? No it did not. Who introduced the electoral law to stack the voting system? The Australian Labor Party introduced it. Joh Bjelke-Petersen simply operated under a system introduced by the Labor Party. It is quite astounding.

Let us look more deeply into this argument about gerrymanders, because it is the crux of Mr Viney's argument. For the life of the Queensland National-Liberal party coalition government, at every state election the party received a majority of the two-party preferred vote. The only time in Queensland's long history of statehood that one party obtained a minority of the two-party preferred vote and won the election was at the 1995 election when the Goss Labor government did not even get 47 per cent of the vote. Yet the Labor Party has the absurdity and lack of knowledge of history to walk into this chamber and espouse the rhetoric that the Queensland National-Liberal party coalition government ran a gerrymander.

Mr O'Donohue — Who was working for Goss?

Mr GUY — That is a very good question. Who was working for Goss at the time? I think his name was Kevin Rudd.

Let us look at another, much more recent example, conveniently forgotten by Mr Viney — the New South Wales government headed by Barry Unsworth.

Gerrymandering was the crux of Mr Viney's argument for this motion, so let us talk about gerrymandering. Going into the 1988 election, when the Labor government was about to be swept out of office in New South Wales, the Labor government introduced — as it could under New South Wales electoral law — 10 extra seats, so the Parliament went from 99 to 109 members. Can you tell me, Acting President, where those 10 extra seats were redistributed to fit into the electoral map? Remarkably, they appeared in inner-western Sydney and were all Labor states. It is quite amazing. After the Greiner coalition government took office it established the State Electoral Office of New South Wales — an independent body — and it went away, looked at the maps and abolished 10 seats to take it back to 99 seats. I will leave it to members to guess which seats it abolished. Mr Viney likes to round on The Nationals. Did it abolish two of The Nationals' seats? Did it abolish four Liberal Party seats? Did it abolish one or two of the nine independent seats? No, the State Electoral Office found that all 10 Labor seats added going into the 1988 election were in fact — let us use the term — gerrymandered seats, put in by the Labor Party to stack the system and get a better electoral advantage for the Labor Party.

If Labor Party members want to look at electoral gerrymandering or talk about historical gerrymandering when it comes to committees or votes in the Australian electoral system, they need look no further than the Labor Party itself, because it has a long and recent history of stacking Australian electoral systems to get the best results for itself.

As Ms Pennicuik stated, the standing committees appear to be doing quite well. They are operating with no major complaint. Apart from the usual disruptive behaviour of one or two of the Labor members, predominantly — surprise, surprise! — Mr Viney, the committee I am on appears to operate fairly smoothly. No-one has a problem, things are worked out in a consultative manner and people speak to each other. The committee is running in a generally fair and free manner. This is how the committee has operated from the very start, and only one person has sought to destroy it — and that is Mr Viney. If we want to talk about committees being stacked, not working properly or not having proper representation, the Labor Party should look at its members' participation on these committees, because the people who are disrupting the committees are from the Australian Labor Party.

Another point in Mr Viney's motion that he stands by, apart from the incorrect claim that the Liberal Party uses proportional representation, is that on two occasions the Liberal Party, the Greens, The Nationals

and the Democratic Labor Party used a majority in the Legislative Council to reject proportional representation.

Mr Leane — Shame!

Mr GUY — Yes, exactly, Mr Leane. How absolutely disgraceful that a majority of votes has been used in the Legislative Council! Parties have actually come to a point of view after consultation and discussion! It might have been on a motion; it might have been Labor and the Greens; it might have been Labor and The Nationals; it might have been any other parties. These parties have come together to talk about and vote on certain issues. I remind the house that those two committees were established over issues of probity, something this government has very little regard for and which it has seen fit to try to scuttle at every opportunity. That is why again tomorrow we will debate matters of probity, because if it were left to the Labor Party, there would be no such thing as probity, no such thing as openness and no such thing as transparency.

In relation to Mr Viney's point, he is quite right. The parties that came together were the Greens, representing 10.6 per cent of voters; The Nationals, representing 4.4 per cent; the DLP (Democratic Labor Party) representing 2 per cent; and the Liberals, 34.6 per cent — in total representing 51.6 per cent of the votes cast for the upper house in the state election. Lo and behold, is it not disgraceful that parties representing nearly 52 per cent of the population have come together, formed a view and established a majority! That is shock, horror for the Labor Party, which attained 41.5 per cent of the vote and which believes it should rule the day. Who on earth would challenge the Labor Party? How can the Labor Party be challenged? These minor parties should be grateful to the Labor Party for being in Parliament! The minor parties should be voting with the Labor Party! They should be third or fourth factions of the Labor Party!

That is what these guys opposite want. They have no respect for democracy, they have a history of electoral gerrymandering and they walk into this chamber and try to present as fact material in their motion that is wrong. I simply say to this chamber, in asking members to reject Mr Viney's motion, that only a committee of 40 members would provide true representation. Of course we cannot have a committee of 40 members, so we do the best we can with the resources available, the best we can in terms of utilising on committees as many members as possible who wish to participate in the system.

That is the current system, and everyone in this Parliament, except for Labor Party members, seem to believe it is operating well. The motion standing in Mr Viney's name is in my view a reflection of an arrogant, out of touch government, a government that sees this Parliament as no more than a rubber stamp for its own point of view and attitude. On that level and for that reason alone, this motion should be defeated.

Ms PULFORD (Western Victoria) — We have heard a lot of nonsense today, all about subversion of democracy. It has all been very creative and some interesting arguments have been raised, but we in the Labor Party are committed to proportional representation because it delivers the best and most representative outcome for the people of Victoria through the work we do in this Parliament.

We have had a very passionate debate, and just to bring it back to a discussion about proportional representation for a moment, the *Macquarie Dictionary* defines proportional representation as where:

The number of successful candidates from each party is directly proportional to the percentage of the total vote won by the party.

The *Concise Oxford Dictionary* describes proportional representation as an electoral system such that all parties are represented in proportion to their voting strength. If that is good enough for the people of Victoria in their selection of members to this chamber, I would have thought it was good enough for members of this chamber, in selecting its committee members, to apply some of those principles.

In my preparation for this debate I learnt that Victoria has been a little slow off the mark with proportional representation. Whereas Victoria led the world early on, when our Legislative Council first became a fully elected house, having moved on the landed gentry, of which there was a mention or two earlier in the debate, and first became the upper house of this current bicameral legislature, it was only in November last year that it had its second general election — the only such election since the initial election of members to this place. Victoria was also the last Australian bicameral Parliament to have neither house elected by proportional representation.

However, it was pretty important to this state government to do something about that. As members speaking before me have outlined, it was a key election commitment, and Labor Party policy for many years has been to restore democracy to the upper house in Victoria. It was with great pride and pleasure that almost a year ago I found myself making my inaugural

speech in this chamber, remarking on what an historic occasion it was, as that was the first sitting of a much more democratic upper house.

I am pleased that Liberal Party members have clarified for us that the Liberal Party in Victoria does not have and will never have proportional representation as part of the way it manages its internal business, because that certainly goes some way to explaining why members opposite do not really understand this debate.

Mr Guy — Get it right; it's in your motion.

Ms PULFORD — Are you going to move an amendment, Mr Guy? Victorian Liberal MPs were pretty slow to support proportional representation — slower than their colleagues in other states — though during the Kennett years they amended the Local Government Act to prescribe quota-preferential proportional representation for the Melbourne City Council. These are the same champions of democracy who shut down local government for a while in a spectacular showing of democratic indecency.

Of Victoria's 79 councils, 40 — that is, 51 per cent, for proportional representation enthusiasts in the chamber; and I have learnt today that there is no shortage of them — now use proportional representation in all polls. The remaining councils have some wards with proportional representation. As members would probably be aware, recent electoral reviews undertaken in a great many municipalities around the state have led to recommendations for an increase in the level of proportional representation in local government, and hopefully we will start to see the fruits of that work in a more representative local government with greater levels of participation and diversity. From November next year some of those councils will have proportional representation for the first time. We know that proportional representation results in the election of people with a greater diversity of views as well as the election of more women.

When I looked at Liberal Party form in this area I learnt of Senator Helen Coonan's efforts in 1998, when she campaigned for a change in the Senate's electoral system, which would have required the exclusion from a count of any candidate who failed to gain a prescribed fractional portion of a quota. She called that a 'threshold', but it was really about excluding parties with a small vote, thereby eliminating those voters who vote for minor parties from having a say in governing our country. Again, the same people have attempted to exclude young people from the electoral roll. I was pleased to see media reports this week indicating that their efforts had spectacularly backfired, and I look

forward to all of those young voters casting their votes in a few weeks time.

However, I would ask for a little more consistency from the Greens and the DLP (Democratic Labor Party). Members of the Liberal Party have not and will not express their support loudly and clearly for proportional representation. Mr Hall clearly articulated The Nationals view and certainly made the point that we are here as parties. I would be the first to acknowledge that I am here as a Labor Party member, but I am here as a member representing Labor Party voters from western Victoria. An absolute distinction has to be drawn between a party that has sufficient support in our electoral system to have 19 members returned and a party that has two members returned. It is a very simple matter of maths, but it would seem that The Nationals and the Liberals are consistent.

I briefly turn to the DLP. Comments have been made by speakers before me that it is the Labor Party view that election by minor parties is some gift of the Labor Party for which we ought to be receiving eternal gratitude. That is absolutely ridiculous! It is not the view of the Labor Party. We have supported proportional representation in this place since 1985 because it is the right thing to do. We apply proportional representation in our own internal party matters because it is the right thing to do. I did note that the DLP has democracy as the first of its three principles. We also know — from Mr Kavanagh's comments in this place in the time that we have been here together — that the principle of democracy is very important for the DLP. The DLP's platform identifies its principles and says in its opening line:

The Democratic Labor Party stands for principles of DEMOCRACY —

in upper case —

that will maintain —

responsible government, representative parliaments, the fundamental liberties of conscience, equality, justice and the rule of law ...

Mr Kavanagh is on the record in this place on many occasions as talking about the importance of our democratic institutions, and we believe proportional representation is a fundamental part of that.

The Greens have had a bit to say about this over time as well. I found an example on the Greens website from the Greens candidate for Murray Valley in the state election. I am sure there are other comments too, but the headline is 'A fairer voting system will benefit

smaller parties say Greens'. The web page quotes the candidate, Carol Kunert, as saying:

The introduction of a proportional representation system will mean that candidates are elected in proportion to their level of support among voters ...

In this election, voters can be confident that the candidate they vote for in the upper house has a better chance of being elected because of a fairer system ...

They are fine sentiments, and I see no reason why you cannot take that principle and apply it in here as well as in the process that brings us to this place.

The Greens have indicated that at this federal election they will support electoral reforms, including providing for proportional representation in the House of Representatives and local government. I also note that the Greens are in favour of reducing the number of by-elections by allowing a casual vacancy to be filled by a member of the retiring representative's party. If that is not an acknowledgement of proportional representation and its importance, I am not sure what is.

A few years back — not so long ago; the end of 2004 — Senator Bob Brown introduced a private members bill, the Senate Voters' Choice (Preference Allocation) Bill 2004. If my memory serves me rightly, earlier in this Parliament Ms Pennicuik moved a similar motion — that is, a motion that would enable voters to determine the order of their party preferences in above-the-line voting.

I think a great many people would like to express their views in this debate, and I do not want to take up all their time. However, I would like to make a few more points. Voters elected people to this place in different proportions. There are 19 government members, 15 Liberal Party members, 3 Greens, 2 Nationals and 1 member of the DLP. There has been some discussion about percentages and proportions. I note that Ms Pennicuik said that the Labor Party has 47.5 per cent of members in this place with only 41 per cent of the vote. If you apply 41 per cent of the vote to a select committee of 7 members, that would give you 2.87, and by anybody's rounding that is 3 members.

Mr Guy talked about the non-government parties having 51 per cent of the vote, so I wonder why it is therefore fitting for the non-government parties to take 72 per cent of the places on the two select committees that have been set up. On both of those committees the Labor Party represents only 28 per cent of their membership.

Comments have been made about the importance of everybody in this place having an opportunity to have

their say in a debate. We all know that every time those bells ring each and every member in this place gets to have a vote — one vote! — because that is a reflection of what the people of Victoria wanted for their upper house.

A great deal of fuss has been made about this motion, and we now understand why members of the Liberal Party do not understand how to apply proportional representation properly. It is because they do not even apply it in the house. For us it is a fundamental principle of democracy, and we would like a bit of consistency. We know it is important to the Greens and to the DLP. We figure that if it is good enough for election to this Parliament, then it ought to be good enough for our own internal deliberations.

Mr ATKINSON (Eastern Metropolitan) — I have had the opportunity to listen in my office to the debate over its duration this afternoon. I think there have been some interesting contributions and some fairly animated contributions to it. I think this is an important issue and that Mr Viney brings it to us in a reasonable manner, by way of substantive motion, to test the principles that he would espouse as part of this house's deliberations.

I am perplexed by some of the line of argument. I can understand why this government, and any government, would want to be able to assert its influence by having the most members and therefore a capacity to determine the outcomes of any proceeding of the Parliament, or, if it could not do that, to get pretty damn close to it by needing to persuade only the least number of people to join it in a proposition to carry a vote. However, the proposition that has been put by a number of government members is perplexing. It is that because proportional representation has been adopted as a means of electing members to this chamber it should then continue to apply in the proceedings of this chamber.

It is perplexing because I cannot find a reference in any of the proceedings of this Parliament, this house or any of the standing orders or such like that would give any credence to that proposal — that is, suggest that the election of office-bearers of this house or the election of committees ought to be by a system of proportional representation. Effectively the proposal being put is a new one; it is not a proposal that is already in place.

The reality is that there is no correlation between the way members are elected to the house in the first place and the responsibilities of this house once we are in here. The government has been keen to say on a number of occasions that this is a house of review, and I

accept that as a reasonable proposition. I think it is absolutely integral to the process of review and to the process of scrutiny that the house be able to have the membership of its various committees in the form that it sees fit. The two select committees that have been established so far have been established properly by the processes of this house, and that has been in order. The government simply did not have the numbers to amend the motions that established those committees because all of the members of the non-government parties believed that the matters that were to be scrutinised and examined were of such import that it was necessary to establish the committees in the form that they struck.

That is not to say that in establishing other select committees in the future the house could not vary the composition of those select committees without resorting to proportional representation. Perhaps it could do so by way of amendment or reflection by the house on what would be an appropriate composition for a task that would be established for a committee in the future.

The reality is that proportional representation does not apply to the processes of this house; the reality is that this house is a house of review. The government, it seems to me, is very keen on every occasion to trumpet its credentials as a champion of democracy and as a government that introduced proportional representation that has brought new minor parties to this house — and in my view has dramatically improved this house in terms of its conduct and the level of debate.

I hasten to add — and I think I have said it in previous debates in this house — that the key reason I take that position is that in the past, governments, where they have had the numbers, have essentially been able to ignore the intellectual debate and rely on the fact that they had the numbers to carry the day in any event. In this Parliament, because minor parties have come to this house, there is a much greater focus on the intellectual debate, on people trying to win the debate by putting valid, relevant and effective arguments, and I think this house is functioning better for that.

As I said, when it comes down to the house's conduct and the way that we proceed in this place, the composition that proportional representation has provided to this house in terms of establishing its members has been such that it has enabled the house itself, under the standing orders of the Parliament and under the processes that have always been part of this Parliament's activity, to decide the composition of its committees. The house itself would always do that, I think, with due measure and due caution, because in my very strongly held view if the opposition played up in

establishing select committees or any of the minor parties played up in establishing select committees or in the conduct of those committees going forward and there was any attempt to diminish the integrity of those committees, woe betide those responsible, because obviously the government would then have a very clear opportunity to determine that those committees were working purely as a political device and without any due regard to their proper conduct as a function of scrutiny of government.

I personally have a very strong view that the executive is out of control in all the parliaments around Australia — not just in Victoria, but around Australia. When I talk to presiding officers in other jurisdictions they all point to the fact that far too often ministers are totally unaccountable in their parliaments. This upper house has an opportunity to discharge its responsibilities as a house of review very quickly and very responsibly. The reality is that this select committee process gives us that opportunity.

I think Mr Viney's motion is astray. I think it should be defeated. I do not think it recognises the important contribution and perspective that the minor parties bring to each of these select committee examinations, which would not be possible if the numbers of members of the government on those committees were to be changed because that would result in the exclusion of some members of the minor parties. I do not think this motion advances the cause of this house in terms of its new-found vigour in the scrutiny of government, and therefore I believe that the motion ought to be defeated.

I actually commend Mr Viney for bringing the motion to the house, because I think it is an important debate. I do understand the chagrin of government members — and clearly government ministers — that they are not able to hold the numbers on a committee and predict the outcome. One of the most interesting things about politics of course is that politicians hate surprises. The reality is that this process is very important to the integrity of democracy in Victoria, which this government so much applauds itself for establishing but which seems to require a dedication and a homage from the minor parties forevermore in terms of their giving support to the government, which really defies the very principles of democracy. The minor parties are not in a position where they ought to be kowtowing to the government. They have a responsibility in this place to discharge the scrutiny of government that we see as central to a house of review, and I think that is achieved by the current circumstances.

Mr KAVANAGH (Western Victoria) — The Democratic Labor Party does support proportional representation. Indeed throughout a long period of recent history in the Victorian Parliament, from the mid-1950s to the early 1970s, the DLP received 10 per cent, 15 per cent, 20 per cent or more of the vote at election after election, but what representation did the DLP achieve in the Parliament — not 20 per cent, not 15 per cent and not even 10 per cent, but precisely zero per cent. Senator Frank McManus observed in his autobiography, *The Tumult and the Shouting*, that the DLP could wallpaper its walls with broken promises from the Liberal Party to introduce proportional representation to the Victorian Parliament.

I thank Ms Pulford for her observations on the Democratic Labor Party's commitment to democracy. I might observe how beautiful those words sounded coming from Ms Pulford, because they were great words indeed.

I congratulate the government on introducing a system of proportional representation which allows for a true multitude of councillors in this Parliament. In my opinion we have created a good system in this Parliament, one in which the competing aims of democracy, stable government and scrutiny of government are being achieved without threatening to bring down the government.

The motion by Mr Viney is about applying proportional representation principles to committee membership. I say 'principles' rather than 'proportional representation' because, as Ms Pulford's reading of the definition of proportional representation very clearly indicated, proportional representation is about the representation of members of Parliament according to party and not about committee membership. There are difficulties in trying to have the committees of this house represent the numbers in the house. Nineteen-fortieths do not fit very well at all into a committee of seven. The DLP is admittedly overrepresented on both committees, as has been observed by many speakers today. It is not as overrepresented, however, as Mr Pakula suggested in saying that in spite of different numbers in the Parliament, the DLP has equal representation on committees. That of course is not the case.

How are the conflicts that arise from these numbers to be resolved? How can a house of 40 members create a committee of 7 that reflects the numbers in the house? I think that it never will, but that fact does place a very strong obligation and responsibility on all committee members to treat issues that are raised in the committee on their merits and to be fair while scrutinising the government. It seems to me, from my experience on the

committees, that this is what a majority of committee members do. They take their responsibilities seriously, and this is the way to achieve fairness and scrutiny of the government.

I would be inclined to seriously consider a motion which put as a general principle that the membership of committees should comprise generally 50 per cent ALP members minus one. I cannot support the current motion, however, because it seems to me to restrict the discretion of the house too severely and indeed to impose a level of bureaucracy on the house which is unwarranted. It has been suggested to me by several people that this motion is intended to embarrass me. I do not know if that is the case, but I do not believe that as a general principle you should question people's motives; you should take them at their word. However, if the intention was to embarrass me, it has not succeeded. I have done my best to be objective and fair in the committees on which I sit and do not feel any need to feel embarrassment.

Mr VINEY (Eastern Victoria) — Firstly, I would like to thank all members for their contributions to this debate. I want to start by picking up Mr Atkinson's point in relation to my motives in moving this motion. I can assure the house that my motives are absolutely serious.

In picking up the point just made by Mr Kavanagh that he would be happy to support a principle that the government members should be 50 per cent minus one on committees, can I just say that that is the intent of this motion. We in fact made an offer to not proceed with this debate if we could get agreement on a principle that the government would have a representation of three in seven or four in nine. That offer was rejected by all the other parties. Mr Kavanagh and I have had a private discussion, but we did not get a chance to have a discussion in relation to that in advance of today's debate. To repeat the point I made in my earlier contribution: that was an offer we made that was rejected by the other parties.

Philip Davis in his contribution said that the government's proposal was disproportionate to the proportions of members in the house. I am not sure, because whilst I ran a polling company for a long time, recognising my own weaknesses in this regard I actually employed statisticians. However, I think that 3 in 7 equals a bit over 43 per cent, 4 in 9 represents a bit over 44 per cent and 19 in 40 represents 47.5 per cent, so the maths does not add up for me. What we are in fact saying is that there ought to be fairness and that we were prepared to discuss and come up with a solution

that would provide some fairness in the structure of committees in this house.

I will pick up one point that Mr Hall made, which was that he believed that the government is not disadvantaged in the current process. He was making the point that The Nationals need to be represented. I think it is interesting that when the Liberals are in government The Nationals form part of the coalition because that is convenient but when they are in opposition they remove themselves from the coalition and thereby need to be separately represented. That is not logical.

Today the Liberal Party and The Nationals in this chamber have 17 votes and, because of the way the committees are structured, they have three committee members. The Labor Party has 19 votes and two members. There is no fairness or justice in that. As I said, the combined coalition conservative forces in this house get three members on committees and the government, which has 19 members in this place and has more members than the Liberal Party and The Nationals combined, gets two members.

The main point of the Greens which was put forward by Ms Pennicuik was that committees do not make decisions. I have been sitting on two select committees, both of which were established by this house and both of which have made significant decisions during the processes of their investigations, including decisions on the manner of their investigations, which witnesses they were going to call and, in one instance, the manner in which they would subpoena or not subpoena documents. These are fundamental decisions which committees make. For the government to have two out of seven members on those committees is absolutely disproportionate, and it is not reflective of the composition of this house.

Mr Guy absolutely let the cat out of the bag during his contribution. He said that after consultation the parties come together in this house and take a vote. That is my fundamental premise. The only reason that we have these gerrymandered select committees is that the coalition of non-government parties have got together and structured these committees so that the government gets only two members on each of them. That is the only way these committees can be established. Mr Guy absolutely let the cat out of the bag by saying that that is what has been occurring. I do not remember being consulted by anyone from a non-government party about the establishment of those select committees. Mr Lenders, the Leader of the Government, is sitting beside me and is nodding. We were not consulted in the process of setting up those committees. From day one

our position has been that we ought to be properly represented on those committees.

I want finally to thank Philip Davis for criticising my contribution. He said that I did not refer to some texts, including *May* and *Odgers' Australian Senate Practice*. I think members of this house know that I actually know those references reasonably well. I did not refer to *Odgers*, which is the most relevant text about Senate practice, because it states that the government is entitled to more than we are asking for.

At page 361 *Odgers* says that from 1901 select committees were established et cetera but that that all started to change from 1970, when standing committees were established. *Odgers* also says that chairs of select committees have consistently been government members from the Senate and have had a deliberative vote. It says that the proposed form of establishing a select committee is:

- (3) That the committee consist of X senators as follows:
 - (a) X to be nominated by the Leader of the Government in the Senate;
 - (b) X to be nominated by the Leader of the Opposition in the Senate; and
 - (c) X to be nominated by minority groups or independents.

The document then says on page 363:

On six or eight-member select committees, which were once the norm, the chair was usually a government senator with the ability to exercise a casting vote ... The use of an odd number membership formula tends, on the other hand, to give the balance of power on committees to minority groups ...

This is precisely what the Labor Party has been arguing. It is interesting that in relation to the membership of the standing committees of the Senate, which have effectively replaced a lot of the select committees, *Odgers* says:

Membership of the legislative and general purpose standing committees is equally shared between government and non-government senators but the chair has a casting vote when the votes are equally divided.

So I advise Mr Davis that I did not refer to the texts which members of the house are used to me referring to because they actually go further than the government's proposal. We are proposing nothing more than that we should be represented by 50 per cent less one member on any select committee of this house. That principle should be applied by this house. The motion before us is a mechanism to deliver that. We would have been happy to have made this happen by cooperation. The

motion before the house is a mechanism to deliver the government's representation on committees to be 50 per cent less one member.

House divided on motion:

Ayes, 18

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

Noes, 20

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

Motion negatived.

Sitting suspended 6.38 p.m. until 8.18 p.m.

ELECTRICITY SAFETY AMENDMENT BILL

Introduction and first reading

Received from Assembly.

**Read first time for Hon. T. C. THEOPHANOUS
(Minister for Industry and Trade) on motion of
Mr Lenders.**

Read first time.

ENERGY LEGISLATION FURTHER AMENDMENT BILL

Second reading

**Debate resumed from 11 October; motion of
Hon. T. C. THEOPHANOUS (Minister for Industry
and Trade).**

Mr VOGELS (Western Victoria) — The Energy Legislation Further Amendment Bill amends several

acts of Parliament. The bill's main purpose is to extend the energy consumer price safety net provisions until 31 December 2008 and to make other sundry amendments to enable the transfer of customer information from a failed energy retailer, to extend the sunseting of the energy consumer safety net provision from 31 December 2007 to 31 December 2008 and to reduce the publication requirement for retail safety net tariffs from 60 to 30 days. It also makes amendments consequent on the recent review of the Victorian Energy Networks Corporation (VENCorp) and repeals redundant provisions in relation to the Port Campbell underground gas storage facility. It also clarifies the effect of an order made under the Gas and Fuel Corporation (Heatane Gas) Act 1993 relating to the transfer of ownership of the Heatane gas pipeline extending from Dandenong to Hastings, Long Island Point and Crib Point.

All jurisdictions have agreed on a process to assess whether retail competition in gas and electricity is effective with a view to removing regulatory price controls if it is found to be effective. Victoria is the first jurisdiction undergoing such a review, but it will not be completed prior to the end of 2007, so this legislation will extend the sunseting of the energy consumer safety net from 31 December 2007 to 31 December 2008. The draft report of the review by the Australian Energy Market Commission has found competition to be effective in Victoria; however, the final recommendation will not be ready until some time next year, hence the one-year extension. It is interesting when we hear Labor members on the one hand criticise the Kennett government reforms of Victoria's power supplies yet on the other hand acknowledge that Victoria has one of the most competitive energy markets in the world. The Liberal Party supports the removal of the heavy-handed government approach over price controls provided competition is effective.

The provision that enables the transfer of customer information from a failed energy retailer to another retailer is a common-sense initiative. While we are always concerned about privacy regulations, there is no doubt that a range of information needs to be handed over if an energy retailer withdraws from supplying power. The bill also includes amendments with respect to VENCorp. VENCorp was established in 1997 as a not-for-profit state-owned corporation responsible for planning and operating Victoria's electricity transmission system and operating the principal gas transmission system.

Following Labor's election win in 1999, in 2001 the then Minister for Energy and Resources introduced the Electricity Industry Act (Further Amendment) Bill and

in her second-reading speech claimed this would enable VENCORP to play a more active role in facilitating demand management. In the heat of the moment, following Labor's win in 1999, Labor wanted to prove to Victorians that the Kennett government reforms, which they had vigorously opposed in opposition, were detrimental to consumers. We now find that a lot of energy was expended for little result, because the Allen Consulting Group review found that this function of VENCORP has been largely inactive and that the provisions in this bill will reverse changes put in place in 2001.

The bill also repeals the redundant provisions in relation to the Port Campbell underground gas storage facility. We all remember the terrible Longford disaster, which claimed human lives and left Melbourne without gas for a number of days. That incident led to the fast-tracking of the underground gas storage facility at Port Campbell. Until then the Victorian gas supply market had been dominated by a single gas producer, Esso BHP. The Kennett government had recognised in the mid-1990s that Victoria needed to develop alternative sources of gas supply within the state and develop gas transmission pipelines that would connect the state's gas transmission system with the gas transmission system of its neighbouring states.

In *Report of the Auditor-General — Victorian Government's Finances, 1998–99* under the heading 'Summary of state assets' — this is very interesting — it is recommended there be an expansion of the 150-kilometre New South Wales interconnect pipeline between Victoria and New South Wales, which was previously developed through joint venture arrangements between the former Transmission Pipelines Australia Pty Ltd and East Australia Pipelines Ltd. That was the first pipeline that was commenced to make sure Victoria had an alternative gas supply.

We then went to the south-west pipeline, and this had a lot to do with the disaster at Longford. It involved the linkage of the state's existing gas transmission system with the Port Campbell gasfields and the gas distribution system in south-western Victoria through the construction of a new pipeline. This development, together with the underground storage project, was to extend the natural gas supply to cities between Geelong and Port Campbell and provide additional security of natural gas supplies to Warrnambool, Portland, Cobden and Hamilton. By connecting the western transmission system by early 2000 this initiative was also intended to promote a further development of the gasfields in the Otway Basin.

The underground gas storage project was to involve the storage of surplus gas in underground reservoirs located in the Port Campbell area in the south-west of the state during periods of low demand and to use it to supply gas to the gas transmission system through the south-west pipeline at times of high demand or in the case of supply emergencies. Following the extensive impact of the September 1998 Longford gas supply incident on the state, an action was coordinated by the state to ensure the availability of additional gas supplies for the 1999 winter period in the event that the Longford plant was not brought to full operational capacity by that time. Because of these Kennett government initiatives, Victoria is now hooked up to the national gas grid and should be able to connect most of country Victoria to natural gas, which would be of enormous benefit to local communities.

Having lived in the Port Campbell area for most of my life, I clearly remember the Longford gas disaster and the urgency of making sure that Melbourne was supplied with gas for the next winter. A lot of hard work and a lot of energy went into making sure that happened, and it did happen. I remember being what they call a juggie in the late 1960s, when a company then known as Frome Broken Hill was looking for gas in the Western District. It found a lot of pockets of gas here, there and everywhere, but there was never enough to actually put in a decent plant to supply a pipeline to Melbourne.

For about 30 years we all knew there was gas there, but there was never enough to actually say, 'Let us have a gas production facility here'. Due to the Longford disaster a pipeline had to be built. We needed to find an underground storage area where gas could be pumped underground for use in emergencies or at peak periods, and this proved to be the perfect opportunity to go ahead and do that in this area. It has been a wonderful idea and has been fantastic for the district and for Victoria. The south-west of Victoria has benefited greatly from the Port Campbell underground gas storage.

The Bracks government's Regional Infrastructure Development Fund (RIDF) was an excellent initiative, making \$70 million available to commence the rollout of natural gas for country towns. However, I believe it has been bogged down in politics. By 2002 interface councils were able to access the scheme, allowing them to benefit from the RIDF, and good luck to them, but the increase in funding output was not available to meet this new commitment.

We now regularly listen to promises by the government just before a state election of gas connection to every

town and village in Victoria, only to find these promises are often just rhetoric with very little, if any, intention to deliver. It costs local government an enormous amount of money to put in the submissions, to say, 'We would love to have our town connected'. Terang in the Western District is a good example. I do not know how many submissions the Shire of Corangamite has put in for Terang to be connected to gas; the local progress association has put in to be connected to gas, and they have always been knocked back.

All this rhetoric of promising to connect every town before each election needs to be much better thought out. If the government is honest enough, it should say to a town, 'Look, you will never get connected to gas. It does not stack up', but it should not promise it to them if it is never going to deliver it. For those towns which will never economically have a case to be connected to natural gas, we should maybe look at supplying them with LPG tanks, like Colac used to have. They may never be connected to a gas pipeline because it is too expensive, but we can make sure they are benefiting from Victoria's economy, that we can put in LPG tanks, or whatever. We used to do it in the old days, so I cannot see why we still could not do it. Of course it does not make sense to lay a pipeline 100 kilometres to some town with 100 or 200 people — it just does not stack up — but they still need help.

I conclude by saying since the election of the Labor government in 1999, electricity and gas prices have gone through the roof, and the prediction is that they will double again in the next few years. As a dairy farmer, I know that our electricity prices have doubled in the last six or seven years. With the advent of wind turbines — and I understand we need to look at alternative renewable energy sources — for them to be economical we need to drive up the price of our coal-fired power stations, otherwise they are not economical; at the end of the day the consumer will be the one to pay. As I said, the cost of electricity to our property has doubled, and I tell people I predict that they will probably double again in the next few years, otherwise the renewable energy schemes do not stack up. This will come at enormous cost to industry and at the expense of jobs for Victorians.

We have heard on many occasions from Labor about the promised rollout of smart meters which would enable consumers to read signals about the price of electricity and change requirements to respond to the cost of supply at any given time. We have heard about that for about three or four years, yet the meters are still not out there so far as I know. If smart meters were available, small businesses might be able to change

working hours to use off-peak energy so costs would be much lower. However, as I said, we are still waiting. The opposition will be supporting this bill. We wish it a speedy passage.

Mr HALL (Eastern Victoria) — This is a fairly straightforward, simple piece of legislation and I will not take up a great deal of the time of the house commenting on it. But there is one particular important provision which we think is deficient in this piece of legislation, and that is one about which I will make comment later.

To begin with, the Energy Legislation Further Amendment Bill amends a number of acts of Parliament, in particular the Electricity Industry Act and the Gas Industry Act. I shall start by placing into context, for this contribution, some of the major changes in each of those acts.

The first major amendment to both the electricity and the gas industry acts is that they will require a failed retailer to provide customer information to the retailer of last resort. The Nationals certainly support that provision. It seems to be a common-sense provision to be able to ensure there is continuity of electricity supply. The retailer of last resort that is required to come in and supply electricity and/or gas to those who have lost their supplier needs to know for supply and demand reasons some history of those customers so that the retailer can ensure there is continuity of supply. Indeed The Nationals are happy to support those particular provisions being inserted in both the Electricity Industry Act and the Gas Industry Act.

The second major area of this bill extends the customer safety net provisions from 31 December 2007 to 31 December 2008. The reason the minister gave for the extension of those safety net provisions by 12 months is that we need to know the outcome of the Australian Energy Market Commission's review of competition in the Victorian gas and electricity markets. Again, The Nationals are prepared to support that. By way of comment, that particular review is well under way. Since this bill was debated in the Assembly I think a preliminary report has been produced by the Australian Energy Market Commission. For the purposes of this debate, I notice that review has suggested that most customers are satisfied with retail competition in terms of price outcomes, a variety of offers and the switching process.

If you look at some of the findings of that review, you will note that over 90 per cent of customers are aware that they can choose their retailer, and approximately 60 per cent of domestic customers are on a market

contract, although there are lower rates for small businesses — only 43 per cent are on an electricity market contract and 30 per cent on gas. My anecdotal information would verify those comments made by the Australian Energy Market Commission in its review. For example, I have switched electricity and gas retailers in some of the premises I own in both the Melbourne metropolitan area and country Victoria. Indeed one of the reasons I switched was for pure convenience, so that I could have the same retailer for both electricity and gas. I think it is true that probably 90 per cent of people are well aware they have some choice as to who their supplier is for those essential products, and as I said, I was interested to note in the report that most customers are satisfied with the retail competition in terms of price outcomes et cetera.

We are expecting a final report to be released in December. I am sure that will be given further consideration by the Parliament as to whether the safety net provision needs to be extended beyond 2008. I look forward to that report being available for the consideration of members.

The third aspect of the amendments to both the Electricity Industry Act and the Gas Industry Act is a reduction from two months to one month in the time before retail safety nets take effect after they are published. Again, I understand that is to enable retailers of gas and electricity to take account of distribution costs that are to be levied on them by distribution companies and therefore reflect a fairer and more accurate price for both the companies that are providing the service and the customers. We are happy to support that.

VENCorp's electricity demand management functions under the Electricity Industry Act are repealed and there are amendments to the Gas Industry Act relating to VENCorp. They are essentially technical amendments regarding the ability of VENCorp to provide market services and set market service fees. References to the Port Campbell underground gas storage facility are removed from the Gas Industry Act. Finally, the amendment to the Gas and Fuel Corporation (Heatane Gas) Act clarifies the ownership of the Dandenong to Hastings Heatane gas pipeline, which was transferred to Elgas Reticulation Pty Ltd in 1994.

Those are essentially the amendments contained in the bill under consideration by the house at the moment. I will comment about safety net provisions and highlight the area I said was lacking in this amendment bill. When we talk about this bill extending the safety net provisions by a further 12 months, the one safety net provision that is not being extended is the one that

applies to non-metropolitan Victoria, which is termed the 'network tariff rebate'. I will give the house the history of the network tariff rebate and set the context for a reasoned amendment I wish to move.

When the electricity distribution companies were privatised, it was acknowledged that the cost of distribution of electricity to country areas of Victoria would be greater than in the metropolitan area. That was acknowledged by the Kennett government prior to 1999, when the distribution companies were sold. Indeed it was acknowledged by the Parliament that it would not be fair on country consumers to have to pay greater distribution costs than city consumers and it was decided that a special power payment would be made to the companies that distributed electricity to non-metropolitan Victoria, which at that time were TTU and Powercorp, if my memory is correct. Therefore in 2002 a special power payment amounting to \$118 million was provided by the Kennett government to the distribution companies distributing in country Victoria to ensure that country Victorians paid no more in distribution costs than those who lived in Melbourne. Indeed I think at that time people acknowledged that this action taken by the Kennett government was fair and reasonable.

With the change of government towards the end of 1999 the special power payment was up for review, and to its credit the incoming Labor government decided to extend that aspect of the safety net provision but rebadged it and called it a network tariff rebate. In 2003 a network tariff rebate of \$57 million was paid to the distribution companies distributing electricity in non-metropolitan Victoria. It was a significant drop, I might add, from \$118 million down to \$57 million — more than 50 per cent — but at least there was still a payment available to assist with the discrepancy in distribution costs between metropolitan and non-metropolitan Victoria.

In April 2004 the network tariff rebate for that year was reduced from \$57 million to \$34 million, which was again a significant decrease. Then a decision was taken by the current government to extend the network tariff rebate for a further three years from 1 April 2005 to 30 March 2008 at a cost of \$110 million. I might add that the network tariff rebate was modified to some extent but still ensures that electricity customers who use less than 4000 kilowatts per year are not paying any more in distribution costs than is being paid by those who live in the city. Despite the fact that the network tariff rebate has dropped from a high of \$118 million in 2002 to around \$30 million or \$33 million per year for each of the last three years, there is at least a recognition by both sides of this Parliament that it is fair

and reasonable that a network tariff be provided to ensure that country people do not pay anymore in distribution costs than city people.

The current arrangement expires on 30 April 2008, and it is the view of The Nationals that this government needs to make the commitment now to extend that network tariff rebate for at least another three years. This legislation extends the community safety nets for a further 12 months, so we say on the same reasoning there should equally be an extension of the network tariff rebate. For that reason we have drafted a reasoned amendment. Therefore, I move:

That all the words after 'That' be omitted with the view of inserting in their place 'this house refuses to read this bill a second time until the government commits to a further three year extension of the network tariff rebate that ensures country customers pay no more in distribution costs than their city counterparts'.

Copies of that reasoned amendment will be distributed to members in the chamber.

By way of supporting the reasoned amendment, I want to refer the house to the government's own comment when it decided to extend the network tariff rebate for a further three years — from 1 April 2005 to 30 March 2008. I refer the house to the comments reported in *Hansard* of 25 March 2003 by the then Minister for Energy Industries, Mr Theophanous, in answer to a question in the Council from Mr Geoff Hilton. In part the minister said:

I am pleased to be able to inform the house that I will be announcing today the details of the network tariff rebate ... which is part of the government's initiatives to ensure that regional Victorians and those in outer metropolitan Melbourne and rural Victoria pay no more for their electricity than comparable consumers in metropolitan Melbourne.

The Nationals say that if that comment was good enough for the Minister for Energy Industries in 2003, then equally it applies today — that is, that country consumers should not be disadvantaged simply because of the location in which they choose to live.

The cost of electricity is likely to increase for all consumers. If you look at the wholesale price of electricity in recent years, as Mr Vogels made comment on, you see that it has increased. The cost of transmission and the cost of distribution have also increased. Some within the industry have informed me that they expect an 18 to 20 per cent increase in retail electricity prices over the next couple of years, and country consumers will have an additional increase if the network tariff rebate is not extended. That is why The Nationals feel strongly about this issue and have felt inclined to move the reasoned amendment now

before the house. I would urge all members to support the reasoned amendment. I want to conclude my contribution by saying that because this is a fairly straightforward bill we will be supporting the measures in it, even if our reasoned amendment does not get up. We will certainly push hard for the reasoned amendment, but if that fails we are happy to support the provisions in the bill.

I just want to make some comments about the state of the electricity industry as a whole. We all know that a number of pieces of legislation have passed through this chamber over recent years and it seems that in almost every session of Parliament we are looking at new legislation to reform the electricity and gas industries. I noted with interest a comment by the Australian Competition and Consumer Commission in its most recent publication. In an article entitled 'Power plays' it made comment about the national electricity market and particularly the move over recent years to create the Australian Energy Regulator. It will be important for this house to consider the work of the Australian Energy Regulator in light of future amendments to electricity and gas legislation. The legislator has monitored the wholesale electricity market right throughout 2007 and noted that wholesale prices rose sharply in autumn because the drought constrained hydro-generating capacity in the Snowy region, in Tasmania and in Victoria.

Electricity production will be an issue, and whether or not supply meets demand will be a challenge for the Australian Energy Regulator and the various state authorities in ensuring that we can meet the demand for electricity in future years. The drought has certainly had an impact on hydro-generators of electricity and there has been a greater reliance on brown coal and gas producers, which has contributed to the rise in wholesale electricity prices.

The future outlook for electricity consumers in this country is that we can expect price increases in the years to come. It is therefore important to protect the interests of various groups in regard to increases in prices. That is why we are happy to support the 12-month extension of the safety net. I have referred to the report about the impact of competition in the electricity and gas markets. Upon receipt of that report we would be happy to give further consideration to whether safety nets should continue to be provided in both electricity and gas markets. We will look at that with interest when the final report is produced, which is anticipated to be in December. It is critical that in the meantime the government lives up to the comments it made in 2003 and that a true community safety net will also look after the distribution costs in country Victoria.

That is why we have moved the reasoned amendment for the extension of the network tariff rebate to country consumers for a further three years. I would encourage all members to support the reasoned amendment.

Mr BARBER (Northern Metropolitan) — The Greens support the ongoing retention of a consumer safety net as it exists under legislation, so we will certainly be supporting this bill. But it is pretty clear that this legislation anticipates, together with many other bits of information that we have read, the abolition of that safety net. Since we are anticipating further deregulation of this now privatised market, I suppose it represents a good opportunity to test Mr Viney's hypothesis of earlier in the day that the Labor Party is a party of the left over here with the Greens. I was not aware of that fact, particularly coming from a man who is from the right of his own party. It has been pretty lonely over here on the left for most of the past 20 years. In fact it is the reason why I am in the Greens party. For that reason the Greens will be moving some amendments, and I am happy for those to be circulated now, to extend the life of the safety net for another four years out to and past the next electoral cycle, where every political party will then have an opportunity to put forward its position for how much deregulation in the electricity industry they think is enough.

Greens amendments circulated by Mr BARBER (Northern Metropolitan) pursuant to standing orders.

Mr BARBER — I would now like to make the case for why those amendments should be supported. The issue we are discussing in this bill, broadly termed the safety net, contains a number of features. Those features include a minimum retail service standard, customer rights and entitlements, market conduct and information privacy obligations, and that any terms and conditions of any contract must comply with the energy retail code.

But of particular importance is what is called the standard offer. It is a benchmark offer and it is a standard contract, as the name would imply, and any consumer who does not want to deal with competing companies or has not moved house or simply finds this aspect of the market too much to deal with has the opportunity to accept the standard offer. In fact even in those instances, which are further dealt with by this bill, where a competitive retailer goes broke or disappears from the market and hands its customers back to somebody — the retailer of last resort, as described here — that standard offer also plays an important role in ensuring that the many people who have never dealt

with a competitive contract before do not have to suddenly get their head around pages and pages of information and different product offerings and features and so forth.

I refer to the statistics presented in the Australian Energy Market Commission report *Review of the Effectiveness of Competition in Electricity and Gas Retail Markets in Victoria*, the first stage of which has been received and the second stage of which is coming and is the reason given by the government for why it wants to extend the safety net for one year.

At page 17 of the AEMC's report it states:

The commission's research indicates that 94 per cent of domestic and small business electricity customers and 91 per cent of domestic and 95 per cent of small business gas customers are aware that they can choose their energy retailer —

so everybody is aware —

by the end of 2006 approximately 60 per cent of Victorian domestic and small business electricity customers —

and a similar number of gas customers —

had entered into a market contract. Recent research indicates that this is the highest switching rate of any energy retailing market in the world.

We have a very competitive market in Victoria. Of household and business accounts, 60 per cent have taken the opportunity to move to competitive contracts — as a result of marketing campaigns, doorknocking and a lot of awareness that retail competition was arriving — but 40 per cent have not. That 40 per cent probably largely consists of people like me — people who are not 'excited about electricity', as the TXU advertisement says.

We simply do not want to deal with it, and we should not be forced to do so in the never-ending pursuit of artificial competition that tries to get us to care about a product that we do not care about — we just want an essential service. It has always been that way. For those who are not up to dealing with these sorts of issues, reading complicated contracts and understanding conditions — electricity is a product that most of us barely even understand, much less engage with — there should be the option to continue picking up the standard offer with the confidence that it has been approved by the government and that it complies with all the basic standards one would expect.

Even the AEMC acknowledges that the standard offer plays an important role. On page 16 of its report it states:

The standing offer tariffs currently provide a focal point for both the level and structure of market offers which retailers use, in conjunction with proactive marketing strategies, to attract new customers away from their existing retailer. Preliminary information suggest that the maximum discounts available under electricity market contracts range from 2–10 per cent off the standard offer tariff and maximum discounts of 3–6 per cent off the gas standing offer tariff.

Despite some companies offering as much as a 10 per cent price discount, and whatever other features they can throw into the mix, 40 per cent of Victorians still say, 'Forget it. I do not want to deal with it, I will just take the standing offer'. To me that both indicates the success of competition to this point and provides a reasonably good argument as to why we should not move any further forward.

Moving forward seems to be presumed by the legislation, the AEMC report and by the government. The government proposes extending the safety net provisions for a year, because it apparently does not yet know what it thinks about it, but all this seems to be assumed. Even the way the AEMC report is argued pretty much assumes that further deregulation is the default position, unless anybody can come up with a better argument. There is just this momentum.

The AEMC references the energy and water ombudsman in saying that there are no systemic problems with the behaviour of retailers in the market, but when you look at the ombudsman's submission to this same report, you see that it does not actually say that. I quote from the ombudsman's submission:

EWOV —

that is, the Victorian energy and water ombudsman —

cases on marketing provide extensive evidence of misleading marketing activity at least on the part of some retailers. It seems reasonable to assume that complaints received are an indication of similar instances about which customers have not complained.

Yes, we would assume that. Anybody who knows how ombudsmen and other complaint authorities work would realise that the complaints they receive are likely to be only from those consumers who are particularly strong in terms of pushing forward with their own rights and, of course, who are aware that there is an ombudsman you can go to. That would not include a lot of ordinary people.

Let us look at the sorts of cases that the ombudsman has taken on. In one period from 1 July 2006 to 30 April 2007 there were 508 cases of misleading representation, 315 cases to do with explicit, informed consent — that is, when people did not know that they were signing up to something — 225 cases of general marketing issues

and 89 cases of pressure sales. That is a considerable workload for the authority in cases of bad behaviour in the market.

The ombudsman also has something to say in her report about the consumer safety net. I quote:

The regulated tariffs are of value in protecting the interests of some specific consumer groups, that is low-income consumers generally and also residents of caravan parks and boarding houses who are charged for electricity by their landlord rather than a retailer ...

Another aspect of the consumer safety net is the Energy Retail Code and other codes and guidelines of the ESC. These have been effective in helping to ensure access to supply in Victoria.

That is as close as you are going to get from a government authority to saying, 'We think this policy should continue'. As I said, the legislation and approach of the government implies that it will not — at least not much past another year.

The St Vincent de Paul Society agrees with us. In its submission to the same study, it says:

The standing offer also provides another critical function as it is the ROLR —

retailer of last resort —

tariff in the Victorian retail energy market.

It goes on to make many of the same points about the importance of this safety net.

I have another interesting fact. I quote:

Data from 1980–1995 and estimated that the long run price elasticity of demand for the Australian residential sector was -0.25. This means a 10 per cent rise in price results in a 2.5 per cent fall in demand for electricity, an inelastic response.

That points very clearly to the essential nature of electricity. Sure, there are a lot of essential services. Food is an essential service — and I am not suggesting that we regulate the food industry to make sure that everybody gets enough to eat. The point is that competition in the retailing of food is something that the ordinary person is used to dealing with. Clearly the finding I have just referred to indicates not only that people are not used to dealing with the competitive supply of electricity — they just want basic supply — but they have very few choices in regard to it. Most people will continue using electricity, and they will pay what the market offers them.

The Greens are concerned about a potential failure of retail marketing if it is pushed all the way to 100 per

cent, particularly the practice of customer red-lining, where retailers either target or ignore a particular group of consumers based on a perceived personal or locality-based characteristic. This is an extremely important reason why we should look at continuing the standard offer, and I would bet that that group of people — those vulnerable consumers — are to be found within that 40 per cent of customers who either have not taken on a competitive electricity contract or have not been offered one.

You can well imagine with door-to-door sales — effectively, with doorknocking — you will get doorknockers from these companies walking down the street and ignoring what looks like the low-income or low-electricity-using households and just going for the people with a lot of money and a big air conditioner on their roof. Over time there could be a form of market failure where individuals who do not appear to be particularly attractive to companies are left with no retailer.

There are some other issues coming down the line that I think are very important to consider before taking the steps in this bill in terms of sunseting. First of all, the consumer protection framework itself is currently being moved from the state regulator to a national regime. Secondly, the state government is committed to rolling out smart meters to all Victorian households. That is going to change the whole structure all over again. It is going to change the sorts of offers that companies might be prepared to make and change the need for people to understand what it is they are signing up to and how their particular usage pattern throughout the day might impact on what they end up paying.

It would make sense if the government held off on further deregulation until that rollout had occurred. Of course, households will also have to cope with expected increases from carbon pricing. Many times in this chamber the Greens have talked about the need for people on low incomes to be helped through that transition, particularly through the offer of opportunities to reduce their energy consumption.

I turn to The Nationals amendment. The Nationals told a bit of a story of how, back when they voted for privatisation under the Kennett government, they won for themselves a deal whereby country customers — a particular geographic constituency — would be insulated, if you like, from the distribution charges. With your assistance, President — —

The PRESIDENT — Order! I remind Mr Barber that I do not under any circumstances need any

assistance from him to administer this chamber. If I think there is a disruption occurring, I will address it.

Mr BARBER — What The Nationals are proposing is the extension of a subsidy scheme, which is now worth about \$30 million and which is assisting about 1 million households — in other words, a subsidy of about \$30 per household for those who are likely to be charged more by virtue of their distance down the network. These are country customers and those at the end of a long set of wires.

The Nationals, having voted for privatisation and obviously understanding the impact it would have on their customers, are now hoping they can get an extension of the same deal from the Labor Party. The Greens are interested in a safety net and provisions that allow vulnerable and needy customers to be supported, and that is a good reason for The Nationals to support our amendments, but in this case we are talking about a simple geographic constituency, not necessarily one based on need, so the Greens are not inclined to support that reasoned amendment. We are talking about \$30 a household, and I think the best thing we can be doing is assisting those and many similar households with their energy efficiency by offering them a few more light bulbs to reduce their electricity bills rather than continuing to subsidise them in that way.

The broader issues of privatisation and deregulation are not issues I will take time to talk about today. There is no question that after deregulation and privatisation in Victoria there was an enormous surge in electricity consumption. I remember seeing the American head of TXU get off the plane and express his amazement about how little electricity we used here in Victoria. Back in Texas they used a lot more, he said; he saw this as a great growth market. Those statements, made not so long ago, look quite silly now.

Hon. T. C. Theophanous — He was more amazed when I told him he was going to get a price cut.

The PRESIDENT — Order! The minister is out of his place.

Mr BARBER — Of course we are now grappling with the problem of excessive consumption and trying to work out how to turn it around and get it way down. That is certainly one of the failings of privatisation as it was put forward then. For that reason I think we are going to need to hold off on further deregulation and continue looking at this as both an essential service and an important environmental consideration.

Debate interrupted.

DISTINGUISHED VISITOR

The PRESIDENT — Order! I advise the house that we have in the gallery this evening Mr George Crawford, a former member of this chamber.

Debate resumed.

Mr SCHEFFER (Eastern Victoria) — It is a pleasure to rise and speak in support of the Energy Legislation Further Amendment Bill. During the 2006 election campaign the Bracks Labor government committed to continue to protect domestic and small business consumers through protecting small and vulnerable gas and electricity consumers with the strongest consumer protection framework in Australia. We also committed to maintaining existing energy concessions for consumers on low incomes to ease the burden on family budgets. This is the policy context for this bill as well as a lot of the other legislation relating to energy.

The bill amends four acts: the Electricity Industry Act, the Gas Industry Act, the Gas Pipelines Access (Victoria) Act and the Gas and Fuel Corporation (Heatane Gas) Act. When you look at the bill you will see that it has a lot of crossovers as it moves from one area to another covering different pieces of legislation. However, it resolves down to three main issues, which I will take one by one: amendments to the retailer-of-last-resort scheme; amendments to the customer safety net; and, finally, amendments affecting the Victorian Energy Network Corporation (VENCorp).

In relation to the amendments to the retailer-of-last resort scheme, the bill aims to make sure that if a gas or electricity retailer goes out of business and the business is no longer able to operate, another retailer can substitute for the retailer that has gone out of business. The scheme is intended to ensure that supply is continued without break to consumers and that the process relating to the retailer whose licence has been revoked, or whose right to trade in the wholesale market has been revoked, will continue.

The retailer-of-last-resort scheme is described in section 27 of the Electricity Industry Act and section 34 of the Gas Industry Act. These sections require a gas or electricity retailer to supply the gas or the electricity in conjunction with the conditions set out by the Essential Services Commission.

The amendments in this bill will improve the supplier-of-last-resort scheme in the following ways. Firstly, the current retailer-of-last-resort scheme at

present does not require the retailer or the supplier who has gone out of business to provide the new operator with customer information that is needed to maintain a standard of service. Under this bill the exiting retailer is required to provide the new operator with all customer information so that the new retailer can continue to supply customers with gas or electricity and be able to receive payment for that gas or electricity that has been supplied.

The amendments in new division 8 of the Electricity Industry Act — in section 49A headed 'Definitions' — set out the general areas that come under this provision, including the supply of customer name and contact details, the billing address, the supply address, the metering identification information, the network tariff code that the act says enables an individual customer to be supplied with electricity, the average monthly consumption, the concession eligibility and any continuous supply requirements. The Essential Services Commission will also be able to seek additional information that the commission thinks is needed for the incoming supplier to fulfil their obligations to the customer.

In relation to the consumer safety net, parts 2 and 3 of the bill extend for 12 months the present conditions under which the consumer safety net agreement operates — that is, from December this year until December 2008. Although a lot has been said about the safety net in this debate, at this point it is worth going over its purposes once more. The objective of the safety net is to protect energy consumers by ensuring that they have access to electricity and gas, both at reasonable prices and at a reasonable service standard. The consumer protection framework protects consumers during the ongoing transition to full retail compensation. The framework gives all residential and small business customers the right to be supplied with energy by the existing retailer, and retailers have to publish their standard tariffs.

The government has the power to step in to regulate the standard tariff if it thinks the market is not giving consumers a fair deal. The government can step in to protect consumers. The government and the incumbent retailers have agreed on a standard retail price for households and for small businesses. Also, the government has set in place a range of energy concessions and relief grants to allow low-income groups for electricity, gas and liquefied petroleum gas to assist the affordability of their supply.

Clause 5 of the bill sets out the provision for setting tariffs. Clause 8 sets out the terms and conditions covering disconnections, the rights and entitlements of

customers, the retailer's right of access to the customer's premises and the confidentiality of customer information. Clause 9 deals with the publication of the terms and conditions of sale of electricity and the commission's role in issuing guidelines to retailers.

Finally, clause 11 of the bill sets out the details of the deemed contract between the licensed retailer and the customer. This is the part of the legislation raised in Peter Hall's reasoned amendment. Mr Hall went through the network tariff rebate scheme as it was initially introduced by the Kennett government and then continued to be supported by the Bracks government over successive years. The substantive issue that Mr Hall raised is still under consideration by the government. Essentially I am not supporting it because my understanding is that that area is a budget commitment and has not been part of this piece of legislation, so it would be inappropriate to have it in this bill. The government will be considering it over the next period, which is why extensions to all those other elements within the bill go to 2008.

In each case the amendments to these clauses that I went through previously extend the expiry date from December 2007 to December 2008, so the government has set in place a number of transitional protections for energy consumers during the transition to the final establishment of an energy market. The Australian Energy Market Commission's final report on competition effectiveness is expected next month, and the final report on the future of retail price oversight will be provided to the minister in February next year. The extension of the current safety net provisions to the end of next year will enable the government to factor in the findings and recommendations of the Australian Energy Market Commission's inquiry. The aim is to phase out retail energy price regulation as the market becomes sufficiently competitive. Enhanced retail competition is expected to reduce the need for pricing oversight over time.

As was observed earlier in the debate, energy prices are likely to increase in response to the impact of the drought, so it remains important for the government to ensure that all energy consumers are protected against any negative impacts of the market, and that is why the Victorian government has a strong consumer protection regime in place. It will ensure that all Victorian energy consumers, especially vulnerable consumers, are able to access energy at an affordable rate.

Mr Barber's 14 amendments proposing that the extension be moved out three years to 2011 are really picked up at this point. There is an assumption in what Mr Barber is saying that without this extension to 2011

the government will step back from its responsibility to protect vulnerable consumers. That certainly is not the case, and when the government receives the report from the Australian Energy Market Commission's inquiry, it will take those factors into due consideration.

In relation to VENCORP, the bill amends the Electricity Industry Act, the Gas Industry Act and also the Gas Pipeline Access (Victoria) Act to put into effect recommendations that came out of the review into the functions and services of the corporation. The review was open and consultative, and it invited submissions from a range of key stakeholders in the energy industry. They were invited to lodge submissions, and they commented on the draft recommendations, so the review and its recommendations have broad support.

The amendments implement some of the government's responses to the review. Most of them consist of machinery changes to the acts, and they do not alter the current regulatory arrangements which provide independent oversight of VENCORP's gas market rules and fees. VENCORP will remain a non-profit entity. The bill removes the requirement for VENCORP to submit an access agreement under the national gas pipelines access regime, because VENCORP is not a commercial operator that uses gas pipelines. I understand that the provision was always to some extent anomalous and that it is right that this requirement be removed from this legislation.

The final matter that I wish to mention is the amendment to the Gas and Fuel Corporation (Heatane Gas) Act. In 1993 the Kennett government announced that it would sell the Gas and Fuel Corporation's profitable LPG (liquefied petroleum gas) division, Heatane Gas, as part of its program to privatise and implement micro-economic reform.

In 1994 Elgas Reticulation Pty Ltd purchased the Heatane gas pipeline that extends from Dandenong to Hastings, Long Island and Crib Point. The name of the organisation was incorrectly gazetted, citing the purchaser as Elgas Ltd instead of Elgas Reticulation Pty Ltd. This error meant that the ownership transfer had no legal force, and the relevant amendment in this bill corrects that error that was, I understand, only recently brought to the attention of the government. The matter needs to be legislated so that it can apply retrospectively or apply from 1994 as was originally intended.

The amendments in this bill further the government's objectives of strengthening consumer protection for Victorian energy consumers during the period of

transition to a competitive market model. I think it is sound legislation, and I commend it to the house.

Mr LEANE (Eastern Metropolitan) — I have been told not to speak for too long, so I will not. It is a pleasure to speak on this bill which amends the Gas Industry Act 2001 and also the Electricity Industry Act 2000. The Electricity Industry Act is something close to my heart, because it provides for the regime that gives me my A-grade electrical licence, which I continue to maintain.

I know former member George Crawford is just about to head out of the chamber, but I suppose it would be close to his heart that under the Gas Safety Act the plumbing industry is a licensed trade, so it is cool that he is in here tonight while we are talking on this bill.

This bill is important because it protects consumers. The retailer-of-last-resort scheme is designed to ensure a continued supply of energy for customers of retailers who have had their licence revoked or their right to trade in the wholesale market suspended. Retailers are obliged under the legislation to comply with the confidentiality obligations for handling customer information that is to be transferred to a retailer of last resort. It is very important that the customers are not disadvantaged because of a retailer having their licence revoked, and therefore there should be a seamless transition to the new retailer.

In speaking briefly on this bill, I want to touch on Mr Hall's amendment moved on behalf of The Nationals. We see a bit of a problem with it, as the scheme referred to is actually not even part of this bill, as far as it relates to extending the rebate scheme. The rebate scheme is something that the Bracks and Brumby governments introduced. When the former coalition government privatised the energy markets, it thought the market would sort all this out, but obviously we were the ones who introduced these safety nets. There is nothing to say that this particular part of the scheme will not keep going next year. There has been no decision made to get rid of it or to keep it, so I think there has been a bit of jumping at shadows as far as that is concerned.

The government will not be supporting Mr Barber's amendments. I know that Mr Barber might be a bit toey because he is an expectant father; he might be a bit keen and jumping at shadows. We have extended the safety net to the end of 2008. There is an ongoing review taking place, and that review may point to continuing part of or all of that process. We have committed to that safety net for another 14 months. It is something that the government introduced after the

privatisation of the market, which was supposed to sort all these things out, but obviously the ALP made sure that there were provisions to keep this safety net in place. On that note, I commend the bill to house.

Mr THORNLEY (Southern Metropolitan) — I will also be quick to enable us to get into committee and discuss the amendments in detail. I think my colleagues in the house, and Mr Scheffer in particular, have covered the provisions of this bill in some depth.

The two portions of the bill that relate to each other in some ways — the retailer of last resort portion and the safety net portion — are essentially about continued amendments to the market design in this market. This is part of the wider work that we have been doing through the Council of Australian Governments and the national reform agenda on continuing to drive competition and regulatory reform both in Victoria and nationally.

This is driven, again, not by some fascination with some bizarre ideological battle between free markets and regulation, but rather by an understanding that, a bit like the Australian Football League Commission, if you change the rules, you change the game. If you get it right, you get a good game; but if you get it wrong, you get a bad game, and the interest of government is to get the game working correctly and then get out of the way.

These amendments are simply several of many examples of doing that. The retailer of last resort facilities need to clean up the part of the game to ensure that if somebody goes out of business, the customer does not suffer, so that we can have a seamless transition of their data and other materials and that the new provider can pick those up and have some recourse against the previous player or their assets.

Similarly the safety net provision has really been a transitional provision as we move into what is looking like — and seems to be, according to the draft reports — a very effective and competitive market, but we need to extend that safety net a little while longer while we conclude that position affirmatively. The VENCORP changes, I think, are fairly minor.

We will continue to see changes in market design in this and other markets as we continue to deal with the impact of climate change and the very substantial changes that that is going to bring to energy provision, and in particular the need for us in the long term to see the integration of the gas, electricity, water and carbon markets and to see the four of those markets in an integrated form rather than seeing them as four separate vertical silos that do not relate to each other. The challenge we have is that we built energy infrastructure

in this state 50 years ago based upon the plausible assumptions, which have been subsequently proven to be incorrect, that we have free water and free carbon. Now we realise that neither of those things is true. We also realise the massive opportunity that we have in this state to have gas-fired power and to achieve very significant reductions in carbon emissions by utilising gas-fired power as a transitional fuel on the way to a long-term renewable energy future.

But all of those things are ahead of us. This bill deals simply with some fairly minor market design changes that are required in this latest round, but I believe it bears witness to this government's continued willingness to design effective gas, electricity, water and carbon markets and to have all four of those markets move and change as the circumstances require and as they certainly will in the future.

House divided on amendment:

Ayes, 3

Drum, Mr (*Teller*) Kavanagh, Mr
Hall, Mr (*Teller*)

Noes, 36

Atkinson, Mr	Madden, Mr
Barber, Mr	Mikakos, Ms
Broad, Ms	O'Donohue, Mr (<i>Teller</i>)
Coote, Mrs	Pakula, Mr
Dalla-Riva, Mr	Pennicuik, Ms
Davis, Mr D.	Petrovich, Mrs
Davis, Mr P.	Peulich, Mrs
Eideh, Mr	Pulford, Ms
Elasmar, Mr	Rich-Phillips, Mr
Finn, Mr	Scheffer, Mr
Guy, Mr	Smith, Mr
Hartland, Ms	Somyurek, Mr
Jennings, Mr	Tee, Mr
Koch, Mr	Theophanous, Mr
Kronberg, Mrs	Thornley, Mr (<i>Teller</i>)
Leane, Mr	Tierney, Ms
Lenders, Mr	Viney, Mr
Lovell, Ms	Vogels, Mr

Amendment negatived.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 4 agreed to.

Clause 5

The DEPUTY PRESIDENT — Order! Mr Barber circulated 14 proposed amendments to the bill,

notwithstanding that all of his amendments seek to extend 2008 expiry dates to 2011. The proposed amendments relate to different provisions in various statutes and are not, strictly speaking, consequential amendments. Therefore Mr Barber is entitled to move further amendments regardless of whether his first amendment is supported by the committee or not. On the other hand Mr Barber may choose to test the general principle of extending expiry dates by moving his proposed amendment 1. If he so chooses, Mr Barber may foreshadow further proposed amendments when speaking on that amendment. I invite him to formally move that amendment and to make some remarks about it.

Mr BARBER (Northern Metropolitan) — I move:

1. Clause 5, line 5, omit "2008" and insert "2011".

I would like to assist the committee. My proposed amendments cover all aspects of a safety net for both electricity and gas. As the Chair has already stated, my amendments spread across 14 different clauses of the bill. From my own understanding of where members are at, I propose to simply use amendment 1 as a test. If it fails, I will not move the others.

With your permission, Chair, I would like to speak on what my proposed amendments cover. As I stated earlier in the debate, the Greens believe the safety net provisions of this legislation as they currently stand are very important. They include a range of factors, but most importantly they include the fact that companies are required to provide a standing offer, a default contract if you like, for those who do not particularly want to engage in a whole set of comparisons of a different offer. That standing offer relates to one of the latter clauses. But I think I will just deal with it all by testing this first amendment.

The government is having a bit each way regarding this particular issue. It is proposing to extend the expiry of the safety net for another year because it says it is waiting for further research and a further report from the Australian Energy Market Commission. The Greens are of the view that we can have a bob each way as well. We could say that the evidence suggests there are plenty of reasons to keep the safety net, and that is our position. That being the case, why are we simply extending the expiry date for another year? If the government is presumably still making up its mind, it may ask for another year and then another year. It is the Greens view that we should extend this safety net provision to the next election, after the next electoral cycle. Parties can go to the next election saying what their position is regarding consumer protection and the

safety net. At that point every party that has formed a view on this issue can present their own position.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I will respond to the comments raised by the honourable member. This is not a departure from normal practice. Normal practice has been — and was while I was the Minister for Energy Industries — that the Essential Services Commission is asked to review the effectiveness of competition as a mechanism for ensuring equity in the consumer market. After the commission's review, the government is to make up its mind as to whether there is enough competition or effective competition to protect consumers and then decide whether to apply the consumer safety net. That practice was endorsed as a result of national discussions about national regulations.

When the Australian Energy Regulator and the Australian Energy Market Commission were both established as national bodies, it was also agreed at the national forums of the ministerial councils that all jurisdictions would test the question of adequate competition for the protection of consumers with the Australian Energy Market Commission prior to making any decisions in relation to the retention of the safety net or price controls. As a result of that, this legislation keeps with those decisions that were made at ministerial councils at the national level.

It would pre-empt all of those decisions and discussions that occurred at a national level, which led to national regulation of this important sector, for the government to just make a decision about extending the safety net without having reference to the examination of the Australian Energy Market Commission of the effectiveness of retail competition. It would be in breach of those national understandings and, as such, the government cannot accept the proposal that has been put by the Greens. But I emphasise that the government will look very closely at the report of the Australian Energy Market Commission and its recommendations when that report is made. It will consult widely following the handing down of the report before developing relevant legislation in relation to future safety nets or price controls or anything else that might be appropriate. It would be inappropriate to pre-empt the findings of that report by accepting the amendments moved by the Greens.

Mr HALL (Eastern Victoria) — It is the view of The Nationals — and I think also of the government because the minister expressed this in the second-reading speech, and he has repeated it again just now — that we need to look at the Australian Energy Market Commission's review of competition in the

electricity and gas industry to see whether there is a need to extend the consumer safety net provisions, so I think we are all agreeing with that.

What the government has chosen to do is to extend these community safety net provisions for a further 12 months until such time as that review is available for government and also for members to consider. What I am a bit concerned about is whether — and I ask the minister this question directly — if we accept this series of amendments to extend those community safety net provisions to 31 December 2008, there will be an absolute requirement by the government to come back and again amend the Electricity Industry Act and the Gas Industry Act in light of that 31 December 2008 deadline approaching, or whether we do not have to do it and whether this provision automatically sunsets or not.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I am advised that in fact it is always the case that every government has an option as to whether it brings legislation before the house or does not bring legislation before the house, so it would be open to the government to not come back with further legislation, in which case the safety net would lapse. However, the government, as I have indicated before, is going to look very closely at the recommendations.

Certainly we would not go down that particular path unless the recommendations were very strongly saying that there was adequate competition for all sectors of the community to be protected by the available competition within the market. So whilst it is an open question, it is a question where the government will be making up its mind based on essentially the recommendations and findings of the report.

Mr HALL (Eastern Victoria) — In response to that answer, I can say this, Deputy President: if there were an absolute certainty that the government would come back and review the particular sunseting of these community safety nets as December 2008 approaches, I would not be inclined to support Mr Barber's amendments, but if we were to support those amendments and then the house supported those amendments as a whole, it would require the government to come back and debate this issue again in the Parliament in light of the evidence presented by the Australian Energy Market Commission. I think that is a safer recourse or a safer action rather than just at the whim of the government whether this matter comes back to be debated again. Given that fact, I can indicate that The Nationals are prepared to support the amendments moved by Mr Barber.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I will be interested to see whether The Nationals are prepared to support the government. I would simply say to Mr Hall that there is no departure from what has been custom and practice. It has always been the case in the past that legislation brought to the house applied up to a certain point, that it sunsetted at a point and that the government had to always come in and extend the time frame.

That was always the case, and I think in the past The Nationals may well have supported the extension of the time lines without regard to the fact that obviously at the end of that, the government may have decided not to come back. It was an option even now to not come back to the house. I would say to Mr Hall that if he is going to be consistent with the voting patterns of The Nationals in the past, this is not a shift away from the practice of the house in the past, and I would urge him to support the government on that basis.

The DEPUTY PRESIDENT — Order! If there are no further remarks, I would propose to put Mr Barber's amendment no. 1. As I have indicated to the house, Mr Barber's amendments are not consequential, so he would have had the opportunity to move each of them separately. I think there were 14 in total, but Mr Barber has indicated that he will regard this first vote as a test of each of those 14 amendments provided.

Committee divided on amendment:

Ayes, 6

Barber, Mr	Hartland, Ms (<i>Teller</i>)
Drum, Mr (<i>Teller</i>)	Kavanagh, Mr
Hall, Mr	Pennicuik, Ms

Noes, 33

Atkinson, Mr	Mikakos, Ms
Broad, Ms	O'Donohue, Mr
Coote, Mrs	Pakula, Mr
Dalla-Riva, Mr	Petrovich, Mrs
Davis, Mr D.	Peulich, Mrs
Davis, Mr P.	Pulford, Ms
Eideh, Mr	Rich-Phillips, Mr
Elasmar, Mr	Scheffer, Mr
Finn, Mr	Smith, Mr
Guy, Mr	Somyurek, Mr
Jennings, Mr	Tee, Mr (<i>Teller</i>)
Koch, Mr	Theophanous, Mr
Kronberg, Mrs	Thornley, Mr
Leane, Mr	Tierney, Ms
Lenders, Mr	Viney, Mr
Lovell, Ms	Vogels, Mr (<i>Teller</i>)
Madden, Mr	

Amendment negatived.

The DEPUTY PRESIDENT — Order! I understand that Mr Barber does not intend to pursue any further amendments.

Clause agreed to; clauses 6 to 36 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Motion agreed to.

Read third time.

**MELBOURNE AND OLYMPIC PARKS
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.

Business interrupted pursuant to standing orders.

ADJOURNMENT

The PRESIDENT — Order! The question is:

That the house do now adjourn.

School buses: adult passengers

Mr P. DAVIS (Eastern Victoria) — I raise a matter for the Minister for Education in the other place concerning school bussing, the working-with-children police checks, protocols for behaviour on school buses and an apparent conflict in policy between the Department of Infrastructure (DOI), which operates the leases and contracts regarding school bussing, and the Department of Education and Early Childhood Development.

The matter I raise is of some concern to a bus operator in my electorate of Eastern Victoria Region who has approached me to say that he has been directed by DOI to extend his passenger list to include adults who are not enrolled in schools. On reviewing the various documentation, including the contract, it is apparent there is a capacity for approval to be given for such adult passengers to be carried, and indeed in correspondence of 17 August, Peter Gledhill, manager of school bus services at DOI, said:

... more recently it has been considered desirable to enhance the travel options available in rural areas that lack public transport services, by allowing various categories of non-student travellers to gain access to school bus services where spare vehicle capacity is available and the route and bus timetable meet the travellers' requirements.

All of that is fine in theory. The only difficulty is that school bus drivers are required to undergo police checks in regard to both the working-with-children legislation and their driver certification — in effect two police checks — but apparently the adult passengers these school bus drivers are being instructed to take on are not required to have any checks. There is no behaviour protocol. In the case of this particular complainant the adults concerned are aged in their 20s, 30s and 50s, and from time to time the adult behaviour is in conflict — that is a polite way of putting it — with what is desirable in the case of caring for children who travel on school buses.

I would like the Minister for Education to take such action as would require any adult passengers travelling on school buses to comply with the same requirements for the protection and safety of children that apply to all others who are responsible for children.

Dental services: Gippsland

Mr HALL (Eastern Victoria) — Tonight I wish to raise a matter for the attention of the Minister for Health in another place, Mr Andrews, concerning the lack of dentists in the Gippsland region. I am prompted to raise this issue because I had a discussion with one constituent who called me last week to complain about her inability to secure a dental appointment locally. She told me she rang 22 dental practices across the Gippsland region. I am not talking about public dental practices; I am talking about both public and private dental practices. She rang 22 dental practices across the region and could not get an appointment until January of next year.

I wrote to the Minister for Health regarding this subject on 13 September, again on behalf of a constituent, in this case from Traralgon, who had rung Latrobe Valley clinics and could not get an appointment in the Latrobe Valley until February next year. To his credit, the Minister for Health replied to that letter on 23 October. It was a six-week turnaround, which is pretty good so far as this government is concerned. I appreciate that in his response to me the minister outlined some things that the government is trying to do to address the problem of a shortage of dentists in the Gippsland region. I might add that I presume the issue is common across a lot of country Victoria.

I appreciate that the government has said it is trying to do some things to address this problem, but there is no short-term solution. When I was talking with a constituent who phoned my office last week, she suggested that within a matter of weeks she could get an appointment if she travelled to Melbourne to consult a dentist. She checked it out and found that she could get an appointment within two weeks compared with almost a 12-week delay in Traralgon.

It occurred to me that the government could be a bit more creative in resolving this problem for country people by offering a scheme similar to the patient transport assistance scheme, whereby country people are given some reimbursement if they are required to travel to Melbourne to attend a specialists clinic. It seems to me it would be a simple procedure for the government to issue, for example, a public transport travel voucher to enable people to travel by public transport to Melbourne if they needed to see a dentist.

I ask the Minister for Health in the other place to reconsider what can be done to address this issue of inordinately long waiting times for people to access dental services in country Victoria, and I suggest the government consider providing travel vouchers to country people to enable them to access dental services in Melbourne if they cannot secure them locally. There may be other ways to address this problem, but that is one suggestion I put forward to the government for consideration and comment.

Victoria University: Australian workplace agreements

Ms HARTLAND (Western Metropolitan) — My adjournment matter tonight is for the Minister for Skills and Workforce Participation in the other place, Ms Allan. I have previously made a statement in this house about Victoria University. My adjournment matter tonight relates to the university's governance. The Victorian government has a statutory responsibility to ensure that the council of Victoria University acts with due diligence in the exercise of its governance responsibilities.

The university has recently applied for and received a \$3.7 million grant under the federal government's workplace productivity program to move 25 per cent of its workforce to AWAs (Australian workplace agreements), with 10 per cent of new appointees being offered work on an AWA-only basis, and to begin a three-year program of staff separations. This is a completely inappropriate action. Going to John Howard for a grant to take away the rights of staff is a backward step, and it is demoralising for the staff. AWAs should

never be compulsory. I call upon the minister to review this action and to ensure that due diligence is being exercised by the Victoria University council.

West Wimmera: swimming pools

Ms PULFORD (Western Victoria) — My adjournment matter this evening is for the Minister for Sport, Recreation and Youth Affairs in the other place, James Merlino. I believe the West Wimmera Shire Council has made an application under the seasonal pool renewal category of the Brumby government's community facility funding program. The council has applied for \$30 400 for a program of improvements at three of its local pools at Edenhope, Goroke and Kaniva. The council hopes work will be undertaken at each of these pools. At Kaniva it is seeking assistance to fund a new concrete path around the toddlers pool, new shade over the barbecue areas and a rainwater tank at the filtration shed. At the Goroke pool it is seeking assistance to provide solar heating for the main pool and to repaint the main pool and toddlers pool and the amenities block. At Edenhope the community is seeking a new shade sail.

The program under which the council has applied for funding is specifically targeted at rejuvenating outdoor pools that are the responsibility of rural Victorian and interface councils. In small rural communities the local swimming pool is often one of the major catalysts for bringing people together and is a real lifeline to the community, particularly a community that might not enjoy the benefit of a string of festivals and events or a multiplex cinema. This program aims to breathe new life into these crucial community assets and ensure they continue to be central gathering places for communities in rural Victoria. My request is that the minister consider this application and support West Wimmera shire's desire to upgrade its swimming pool facilities.

Technical education: federal policy

Mrs COOTE (Southern Metropolitan) — My adjournment matter this evening is for the Minister for Skills and Workforce Participation in the other place and is to do with technical colleges in Victoria. Just over 20 years ago the Victorian Labor government under former Premier Joan Kirner took the extraordinary step of abolishing the highly successful technical college system in Victoria.

Mr D. Davis — Shame, shame!

Mrs COOTE — Shame indeed, Mr Davis, I quite agree. The system had provided Victorian industry with highly skilled people in all trades from heavy metal

work to hairdressing. The graduates from those technical schools formed the basis of our vital manufacturing workforce. Twenty years on the experiment has failed and Australia is crying out for skilled people of all ages, particularly Victoria. The Prime Minister said yesterday that improving the skills of the Australian workforce is an important part of the coalition's bold plan to reduce unemployment to 3 per cent over the next three years. Australia made a huge mistake a generation ago when state and territory governments walked away from technical college education. The coalition's Australian technical colleges have reversed this trend and are being embraced by the Australian community.

Yesterday, in announcing 100 new technical colleges across Australia, Andrew Robb, the federal Minister for Vocational and Further Education, said that by 2009 approximately 10 000 students will be studying years 11 and 12 while beginning apprenticeships in 28 colleges across 45 campuses Australia wide. He went on to say that the Howard government is about opening dedicated technical colleges and Labor is about closing them down. I encourage the Minister for Skills and Workforce Participation to support the development of new technical colleges and work with the Howard government to establish as many technical colleges as possible in Victoria.

National Caravan Clubs Rally: funding

Mr DRUM (Northern Victoria) — My adjournment matter is for the Minister for Tourism and Major Events in the other place, Mr Holding. It concerns a major tourism event in regional Victoria. Over the Christmas-New Year period of 2010–11, just three years from now, the national caravan clubs of Australia will be staging their 14th national rally. This time they are hoping to stage it at Elmore, just north of Bendigo. The minister will no doubt be aware of the capacity of Elmore to stage events of this kind. Since developing one of the nation's best agricultural field day sites, the people of Elmore have been able to host significant national and international events. Last year they were able to hold a scouts jamboree, when some 10 000 scouts from around the world descended on Elmore to join in the celebration.

The National Caravan Clubs Rally is expected to attract more than 1000 caravanners and is projected to be worth more than \$3 million to the local regional economy. The build-up to this event has already started in that the 13th rally to be held in Forbes in late December this year will see the launch of the project to hold the next rally at Elmore. Staging something of this scale is not easy or cheap. My request to the minister is

that he look favourably upon the potential rally and provide state government funding to assist in bringing it to Elmore. No doubt the national caravan clubs of Australia will request funding from the Victorian government. I would hope the government, and especially the minister, could look favourably upon the request to sponsor the rally at Elmore.

Skills training: Westfield Doncaster trades forum

Mr LEANE (Eastern Metropolitan) — My adjournment matter is for the Minister for Skills and Workforce Participation in the other place, Jacinta Allan. In recent weeks I have approached Westfield regarding its Doncaster construction site and the possibility of holding a forum for year 9 and 10 students who are interested in looking at the building trades as future careers. Westfield has kindly agreed to the forum and the pilot will be held at the end of next month. The forum will include different tradespeople, such as plumbers, electricians and carpenters, and the builders will give a brief speech about their trade and say what they like and what they dislike about it. It will also involve a female tradesperson explaining her experiences and the challenges involved in working in what is a male-dominated industry but one which is vastly changing. People from the Office of Training and Tertiary Education will also be there to hand out information about getting experience and gaining apprenticeships.

The students from schools around the area will have the opportunity to put on hard hats and vests and go out on site to watch the cranes operate and the building site work, which will be attractive to them. Westfield has agreed that at the end of the forum the students can place on a register their names and expressions of interest in what sorts of trade they would like to get some work experience in. The register will be available to subcontractors on the Westfield site to access names if they think it is possible to give a young student a go at work experience in the building industry, an industry which obviously needs more and more workers.

It is interesting that recently the Prime Minister spoke about skills and said that he wants to live in a country where having a trade is equivalent to having a university degree. He looked upon having a trade as being the equivalent of having a university degree. I appreciated him saying that about me; that is a good thing. I note that Kevin Rudd said that six months ago in Parliament, so there is a bit of me-tooism going on there. I ask the minister to investigate whether similar forums to the one Westfield is conducting can be

implemented across the state at decent-sized building sites.

Casey central secondary college: establishment

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I wish to raise a matter for the attention of the Minister for Education in the other place. It relates to the provision of a secondary college in the Cranbourne North area. The Casey central secondary college was an election promise of the Bracks government last November. As a resident of Narre Warren South I received a letter from the then Labor candidate, now the member for Narre Warren South in the other place, Judith Graley. The letter entitled 'Education — Labor's number 1 priority' includes the two paragraphs:

If re-elected, the Bracks Labor government will build a new secondary college for this dynamic, fast-growing area, providing all parents with options about where they want their children to attend school.

The new Casey central secondary college will not only provide parents with choice, but will also relieve pressure on other secondary colleges in the area, such as Kambrya College, Lyndhurst Secondary College and Narre Warren South P-12.

At the same time the then education minister in the other place, the Honourable Lynne Kosky, made a visit to the area and committed to opening the school by 2009. In the *Berwick/Pakenham Cardinia Leader* of 22 November 2006 the minister is reported as saying:

Casey central secondary college would be built on vacant land south of Glasscocks Road in Cranbourne North and opened for the 2009 school year ...

The residents of Berwick South and Cranbourne North are concerned about the provision of this secondary college. It is now 15 months from the commencement of the 2009 school year. I was on the Glasscocks Road site with the local residents yesterday afternoon and no work has commenced. There is now great concern among the community in that area that the school will not be opened in time for the commencement of the 2009 school year.

There is an enormous need for secondary school facilities in the area. There has been a wave of growth and there are a lot of children approaching secondary school age. They are provided for with primary schools, but the nearest secondary school is Narre Warren South P-12. It is full and is turning away children from this area. The next alternative is Eumemmerring College, which is an 18-kilometre round trip for students from the Berwick South and Narre Warren South area.

It is important that this promised secondary college be up and operating in time for the 2009 school year. I call on the minister to ensure that that election commitment is delivered so that at least children in years 7 and 8 are able to commence at the new Casey central secondary college in 2009, as promised by the minister last year, and that parents do not have to travel an 18-kilometre round trip so their children can attend secondary college.

Migrants: Global Skills for Provincial Victoria program

Ms TIERNEY (Western Victoria) — My adjournment matter is for the Minister for Regional and Rural Development and Minister for Skills and Workforce Participation in the other place, Jacinta Allan. Last week the minister launched a \$3.96 million initiative to attract skilled migrants to regional Victoria. This is part of the Brumby government's skilled migration strategy. The Global Skills for Provincial Victoria program is a key component of the Global Skills for Victoria skilled migration strategy. The program will link regional employers to migrants with the right skills for specific occupations. In a media release the minister said:

Attracting skilled migrants to provincial Victoria boosts regional populations, fills skill shortages, generates economic growth and builds stronger local communities ...

On the federal government's own estimate Australia faces a skills shortage of more than 200 000 skilled workers over the next five years. This is evidence that the Brumby government is acting now, when action is needed, but that after 11 years in office the federal government has failed on having a plan for the future. In the 2004 election campaign Mr Howard promised to solve the skills crisis by setting up so-called Australian technical colleges (ATC). After three years they have only 1800 enrolments, only 2 out of 21 colleges are meeting enrolment targets, it is costing \$175 000 per student and not one student has graduated. Despite this, just yesterday the federal Liberal Party announced it would throw another \$2.1 billion at its failed ATC model. That clearly is not a vote for Australia. I ask the minister to provide me with a time line for the implementation of the Global Skills for Provincial Victoria program.

Oakleigh Primary School: asphaltting

Mr D. DAVIS (Southern Metropolitan) — My adjournment matter is for the attention of the Minister for Education in the other place. It concerns the Oakleigh Primary School, a very good school that I have had the opportunity of visiting quite recently to

see what an effective school community it has. A number of issues at the school need to be attended to by the minister and by the department.

Mrs Peulich — What is the local member doing?

Mr D. DAVIS — I think the local member, Ms Barker, the member for Oakleigh in the other place, needs to do a little more to look after that school and a number of other schools in that area. However, my point is not to attack the local member tonight; my point is to achieve an outcome at the Oakleigh Primary School.

A key issue for the school is the asphalt outside it. The preps are housed in an old school building that goes back to about 1914. There is a wonderful modern school building that was built in 1977, during the period of then Minister Thompson — —

An honourable member interjected.

Mr D. DAVIS — An excellent education minister, indeed. The asphalt outside the school has pits and holes in it. It is an occupational health and safety hazard and, in my view, a public liability hazard as well. I have closely inspected it twice in the last 10 days. I had the opportunity not only to attend with officials at the school but also to attend the Great Inflatable Fete that was held at the school over this weekend.

It is clear that the government needs to attend to the issue. Estimates of the cost of re-laying the asphalt to make it safe for the public, teachers and the school community come to around \$70 000, so it is a fairly modest capital injection, but one that would require more than many schools can raise on their own. The regional office and the minister need to get involved and ensure that the school is provided with a new and modern surface through much of its yard area. I seek the assistance of the minister in intervening, with the department, to ensure that the Oakleigh Primary School gets the new asphalt that is sorely needed.

Schools: Cardinia

Mr O'DONOHUE (Eastern Victoria) — My adjournment matter is also for the Minister for Education in the other place. The growth corridor from Beaconsfield to Pakenham is being transformed from being made up of country towns to being part of outer-urban Melbourne. The shire of Cardinia, which contains this growth corridor, will double in population from approximately 60 000 people to over 120 000 people over the next 20 years. Sadly, that population growth is not being matched with infrastructure investment from the state government.

Nowhere is this being felt more than in the education system.

As an aside, I congratulate the federal government in filling this void as much as it can with the recent announcement of \$2.5 million for a performing arts centre at the Emerald Secondary College and its support for private sector schools such as St Francis Xavier College and Beaconhills College. Unfortunately much more is required. There is only one state secondary college serving the Officer-Pakenham area — that is, Pakenham Secondary College. It has seen enrolments increase from approximately 900 in 2004 to approximately 1200 today, and enrolments will grow to in excess of 1500 in the next few years. It is estimated that over the next five years the number of secondary school students in the growth corridor will increase from 2232 to 3617, an increase of 1385.

I congratulate the Shire of Cardinia on completing the Cardinia Road structure plan, which identifies the need for new state education facilities. I also note that Cardinia's school retention rate for years 10 to 12 was only 68 per cent in 2005, compared with the state average of approximately 80 per cent and this government's target of 90 per cent by 2010.

The government has failed to recognise this issue, and it is yet to commence the site acquisition process for another secondary college for the growth corridor. The action I seek from the minister is therefore to expedite the site identification, purchase and construction of a new secondary college in the Pakenham-Officer growth corridor. No matter where they live, young people deserve access to quality state education. The government is at the moment failing the young people of the growth corridor.

Water: irrigators

Ms LOVELL (Northern Victoria) — My adjournment issue tonight is for the Minister for Water in the other place. It regards the unbundling of water from land and the delays caused by the government's lack of preparation prior to July 1 this year.

Unbundling was introduced under the state government's Water (Resource Management) Act 2005. It was due to come into effect on 1 July 2006, but it was delayed for 12 months and came into effect on 1 July 2007. The government had two years to get the process right, but water authorities are still being plagued with problems caused by the government's policy, which was not planned properly.

Only last week Goulburn-Murray Water moved to get its water bills to irrigators. It has blamed the three-month delay in getting these bills out on problems with the new water register. The bills are usually issued in late July or early August. It appears that the delay was caused by data having to be validated before being transferred onto the new system, but surely that could have been at least partially completed prior to 1 July.

Irrigators being forced to wait for their bills has led to delays in some water transfers. My office has had numerous inquiries from irrigators who were waiting for transfers to be finalised. It is causing hardship for some farmers, who have needed to sell their water to buy feed for their livestock — and, of course, their feed bills are mounting — while they waited for money to come in from their water transfers. For those who have made the most difficult decision of all — to sell both their land and water — it has not only caused delays but also caused some to incur financial penalties because they were unable to meet settlement dates.

The unbundling of water rights has brought about the biggest change to the Water Act since 1989. It has come at a time when farmers are already enduring massive stress due to the drought. The bungling of this process by the state government has caused additional and unnecessary stress to irrigators.

Some irrigators chose to take part in the federal government's pilot environmental water purchase program with the Murray-Darling Basin Commission. The New South Wales irrigators who took part in this program have been paid for their water, but Victorian irrigators have been waiting months for their transfers to go through. Goulburn-Murray Water has blamed this delay on the need to produce an information statement for the Murray-Darling Basin Commission, which could not be done until this year's bills had been issued, hence the three-month delay.

The action I seek from the minister is for him to ensure that all applications lodged with Goulburn-Murray Water for the transfer or sale — —

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

Ms LOVELL — It is still 1 minute 44 seconds; I just looked up, and the clock had 1.44 showing on it.

The DEPUTY PRESIDENT — Order! The member started at 10.24 p.m. and it is now 10.28 p.m. I am sorry.

Environment: Ararat gasworks site

Mr KOCH (Western Victoria) — My matter is for the Minister for Environment and Climate Change and concerns the decontamination works under way at the former gasworks site in Ararat. SP AusNet, a major energy supplier in Victoria, engaged EESI Contracting to undertake soil decontamination works at Ararat in 2004. The site is in the middle of a residential area, home to over 30 households with numerous elderly residents and up to 40 children, who have put up with these works on and off for nearly three years.

The remedial work is part of a clean-up program of eight former state government-owned gas sites in regional Victoria to rehabilitate land for local development and involves the removal of odorous material, mainly soil contaminated with gasworks waste residue. Soils have also been trucked in from Castlemaine, Horsham and Stawell for treatment on the Ararat gasworks site.

Due to a public outcry two years ago, SP AusNet made a commitment to instigate odour and dust minimisation measures, including air and dust monitoring, and to participate in community consultation throughout the entire process to address local residents' concerns. The plan was to ensure bioremediation treatment be conducted in a manner that would not cause offensive odours beyond the site. Indeed the performance standard stated that odours offensive to the senses of human beings must not be discharged beyond the boundaries of the premises. After being in abeyance for several months, work has recommenced, with a final deadline of 30 April 2008 for all bioremediation works to be completed.

Treatment involves a slow and drawn-out process of mixing soil with organic matter that includes rice hulls and straw, using cleaning agents and adding nutrients that break down the contaminants. The process is similar to what occurs in a backyard compost bin. While the process has been approved and managed by the EPA (Environment Protection Authority), additional safeguards were supposed to have been put in place to minimise odour. Nearby residents continue to experience an all-pervasive and offensive smell, generated when the soil is exposed.

Despite warnings, cautions and even fines from the EPA, the contractor's odour controls have failed, and nearby residents are again living with dreadful odours that are affecting their health. They have reported a return of problems including debilitating headaches, breathing difficulties, severe pain in muscles and joints and dizziness. Complaints go unheeded and letters to

SP AusNet, the Premier and his ministers remain unanswered.

My request is for the minister to acknowledge the appalling process that has been adopted and seek the removal of all offending soils to a non-urban location to complete treatment and allow the site to be redeveloped.

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

Ambulance services: Craigieburn

Mr FINN (Western Metropolitan) — I wish to raise a matter for the attention of the Minister for Health in another place. It concerns the outrageous abuse of the local community in the Western Metropolitan Region.

I recently met with members of the Craigieburn and District Ambulance Committee. Over 12 years CADAC has operated the Craigieburn community emergency response team (CERT) on a voluntary basis. This has served Craigieburn residents outside the operating hours of the local ambulance station, which are from 9.00 a.m. to 9.00 p.m. This program was begun and entirely funded by the local community. There was no government financial support, and it is a very successful program. It has been used as a blueprint for similar programs around Victoria. By any measure it is — or indeed, was — a valuable asset to the people of Craigieburn.

I ask the minister to investigate why the Metropolitan Ambulance Service has squeezed the life out of CERT over a 12-month period, starved the program of support and removed CERT from the control of CADAC. I ask the minister to investigate a number of very disturbing allegations against the Metropolitan Ambulance Service that have come to my attention. These allegations include the physical assault of a member of CADAC by a uniformed officer of the Metropolitan Ambulance Service, bullying, intimidation and theft of intellectual property.

These, as I am sure you will understand, Deputy President, are extremely serious allegations which need to be addressed by the minister. I also ask the minister to include in the investigation why the MAS has registered Craigieburn CERT as a business name. Is the Metropolitan Ambulance Service preparing to charge Craigieburn residents for what they had previously enjoyed free of charge?

I would also ask the minister to examine very closely the role of a Ms Casey Nunn in these stressful developments in the Craigieburn community. The

Craigieburn community is suffering as a result of these developments. This is something of grave concern for those of us who care about the people of Craigieburn.

Craigieburn people have been to the local member in the lower house; unfortunately — —

Mr D. Davis — Who is that?

Mr FINN — That is the bear — Liz Beattie. They unfortunately did not get any joy there at all.

I raise this issue and ask the minister to investigate this, to make the investigation public and to give us some answers as to what has happened here and as to what can be done to resolve this most important issue for the people of Craigieburn.

The DEPUTY PRESIDENT — Order! I thank Mr Finn, and I trust the only reference I heard to the local member was her name.

Mr FINN — Indeed, yes.

Rail: Wandong station

Mrs PETROVICH (Northern Victoria) — I raise a matter for the attention of the minister for state and regional development in the other place. It relates to the promised Wandong overpass. In September last year the member for Seymour and the Premier, who was then the Minister for State and Regional Development, announced with great fanfare funding for the long-awaited and much-needed pedestrian bridge over the railway track at Wandong, as stated on the front page of the *North Central Review*.

In the lead-up to last year's election some \$1.5 million was promised for this much-needed overpass. A commitment was made to build the pedestrian overpass by the end of this year. It is now the end of October, and not one hole has been dug and not one brick has been laid. The bridge is no longer — —

Hon. T. C. Theophanous — On a point of order, Deputy President, I am trying to assist the member opposite. She raised a matter, she said, for the attention of the minister for state and regional development in another place. I am not aware of such a minister, so could she clarify to whom she wants the matter referred?

Mrs PETROVICH — I apologise. It is for the Minister for Regional and Rural Development in the other place. In the meantime locals have had to make a round trip of between 2 and 4 kilometres to access the other side of town, which includes the main shopping

centre. The shorter option is to cross the railway track illegally, which, as you can imagine, is what happens most of the time. This is too tempting for students of the Wandong Primary School and, I might add, too terrifying. It is a tragic accident waiting to happen.

The Wandong community quite rightly wants to know where its bridge is. Once again it is proof that Labor does not deliver on election promises. As a matter of urgency, I ask the Minister for Rural and Regional Development to let us know when construction of the bridge will start and, more importantly, the timetable for its completion.

Responses

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — Philip Davis, Mr Rich-Phillips, David Davis and Mr O'Donohue all raised matters for the Minister for Education in another place, and I will pass them on for her response.

Ms Hartland, Mrs Coote, Mr Leane, Ms Tierney and Mrs Petrovich all raised issues for the Minister for Regional and Rural Development in another place, and I will pass them on for response by her.

Mr Hall raised a matter for the Minister for Health in another place, and I will pass that on.

Mr Drum raised a matter for the Minister for Tourism and Major Events; Ms Lovell, for the Minister for Water; Mr Finn, for the Minister for Health, all in the other place; and Mr Koch, for the Minister for Environment and Climate Change. I will pass all of those matters on for direct response to the members.

The DEPUTY PRESIDENT — Order! The house stands adjourned.

House adjourned 10.37 p.m.

