PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-SIXTH PARLIAMENT

FIRST SESSION

Tuesday, 4 December 2007

(Extract from book 17)

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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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Legislative Council committees

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.

Joint committees

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

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

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

Education and Training Committee — (*Council*): Mr Elasmar 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 Elasmar, Mr Guy and Ms Hartland. (*Assembly*): Ms Green, Mr Hodgett, Mr Nardella, Mr Seitz and Mr K. Smith.

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

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

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

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

Heads of parliamentary departments

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

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

Parliamentary Services — Secretary: Dr S. O'Kane

MEMBERS OF THE LEGISLATIVE COUNCIL

FIFTY-SIXTH PARLIAMENT — FIRST SESSION

President: The Hon. R. F. SMITH

Deputy President: Mr BRUCE ATKINSON

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Mrs ANDREA COOTE

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Mr PETER HALL

Deputy Leader of The Nationals:
Mr DAMIAN DRUM

Member	Region	Party	Member	Region	Party
Atkinson, Mr Bruce Norman	Eastern Metropolitan	LP	Lenders, Mr John	Southern Metropolitan	ALP
Barber, Mr Gregory John	Northern Metropolitan	Greens	Lovell, Ms Wendy Ann	Northern Victoria	LP
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Darveniza, Ms Kaye Mary	Northern Victoria	ALP	Pakula, Mr Martin Philip	Western Metropolitan	ALP
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Davis, Mr Philip Rivers	Eastern Victoria	LP	Petrovich, Mrs Donna-Lee	Northern Victoria	LP
Drum, Mr Damian Kevin	Northern Victoria	Nats	Peulich, Mrs Inga	South Eastern Metropolitan	LP
Eideh, Khalil M.	Western Metropolitan	ALP	Pulford, Ms Jaala Lee	Western Victoria	ALP
Elasmar, Mr Nazih	Northern Metropolitan	ALP	Rich-Phillips, Mr Gordon Kenneth	South Eastern Metropolitan	LP
Finn, Mr Bernard Thomas C.	Western Metropolitan	LP	Scheffer, Mr Johan Emiel	Eastern Victoria	ALP
Guy, Mr Matthew Jason	Northern Metropolitan	LP	Smith, Hon. Robert Frederick	South Eastern Metropolitan	ALP
Hall, Mr Peter Ronald	Eastern Victoria	Nats	Somyurek, Mr Adem	South Eastern Metropolitan	ALP
Hartland, Ms Colleen Mildred	Western Metropolitan	Greens	Tee, Mr Brian Lennox	Eastern Metropolitan	ALP
Jennings, Mr Gavin Wayne	South Eastern Metropolitan	ALP	Theophanous, Hon. Theo Charles	Northern Metropolitan	ALP
Kavanagh, Mr Peter Damian	Western Victoria	DLP	Thornley, Mr Evan William	Southern Metropolitan	ALP
Koch, Mr David Frank	Western Victoria	LP	Tierney, Ms Gayle Anne	Western Victoria	ALP
Kronberg, Mrs Janice Susan	Eastern Metropolitan	LP	Viney, Mr Matthew Shaw	Eastern Victoria	ALP
Leane, Mr Shaun Leo	Eastern Metropolitan	ALP	Vogels, Mr John Adrian	Western Victoria	LP

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TUESDAY, 4 DECEMBER 2007

Tuesday, 4 December 2007

The DEPUTY PRESIDENT (Mr Atkinson) took the chair at 9.33 a.m. and read the prayer.

ABSENCE OF PRESIDENT

The DEPUTY PRESIDENT — Order! I formally advise the house that the President is ill today and is unlikely to take part in proceedings.

ROYAL ASSENT

Message read advising royal assent on 27 November to:

Crimes Amendment (Rape) Act
Education and Training Reform Miscellaneous Amendments Act
Graffiti Prevention Act
Transport Accident and Accident Compensation Acts Amendment Act.

BARWON REGION WATER CORPORATION

Partnerships Victoria project summary

Mr JENNINGS (Minister for Environment and Climate Change), by leave, presented *Partnerships Victoria Project Summary — Barwon Water Biosolids Management Project***.**

Laid on table.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 16

Mr EIDEH (Western Metropolitan) presented *Alert Digest* No. 16 of 2007, including appendix.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

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

Banyule Planning Scheme — Amendment C49.

Bass Coast Planning Scheme — Amendments C73 and C76.

Brimbank Planning Scheme — Amendment C99.

Campaspe Planning Scheme — Amendment C46.

Cardinia Planning Scheme — Amendments C96 and C102.

Greater Bendigo Planning Scheme — Amendment C87.

Greater Dandenong Planning Scheme — Amendment C85.

Hume Planning Scheme — Amendment C91.

Maribyrnong Planning Scheme — Amendment C69.

Melbourne Planning Scheme — Amendment C128.

Moorabool Planning Scheme — Amendment C38.

Moreland Planning Scheme — Amendment C84.

Port Phillip Planning Scheme — Amendment C65.

South Gippsland Planning Scheme — Amendment C42.

Warrnambool Planning Scheme — Amendment C51.

Whittlesea Planning Scheme — Amendment C41 (Part 1).

Yarriambiack Planning Scheme — Amendment C7.

Statutory Rules under the following Acts of Parliament:

County Court Act 1958 — No. 127.

Supreme Court Act 1986 — No. 125.

Taxation Administration Act 1997 — No. 126.

Subordinate Legislation Act 1994 —

Minister's exception certificate under section 8(4) in respect of Statutory Rule No. 127.

Minister's exemption certificate under section 9(6) in respect of Statutory Rule No. 123.

Wrongs Act 1958 — Notice of Scale of Fees and Costs for Referrals of Medical Questions to Medical Panels.

PARLIAMENTARY PRIVILEGE

Right of reply: Cr Rosemary West

The DEPUTY PRESIDENT — Order! The house has been asked to consider a right of reply that has been lodged by Cr Rosemary West of Kingston City Council to statements made in the Council by Mr Matthew Guy, MLC, on 20 September 2007.

During my consideration of the application for the right of reply I gave notice of the submission in writing to Mr Matthew Guy and also consulted with him prior to the right of reply being presented to the Council. I have omitted some expressions which I deemed not to be in accordance with the spirit of the standing order.

Having considered the application and determined that the right of reply should be incorporated into the parliamentary record, I remind the house that the standing order requires me when considering a submission under the order to not consider or judge the truth of any statements made in the Council or the submission.

In accordance with the standing orders, the right of reply is hereby ordered to be printed and incorporated in *Hansard*.

Reply as follows:

I wish to lodge a formal complaint about inaccurate and disparaging comments about me in my capacity as ward councillor and seek to correct the parliamentary record on issues on which Matthew Guy has — perhaps inadvertently but certainly carelessly misled the Parliament.

Mr Guy has made a statement to Parliament in which he falsely implies that I have acted improperly as a councillor of Kingston City Council.

My reputation as a councillor, citizen and coordinator of a community group is therefore potentially damaged by Mr Guy's false statements in the eyes of:

1. my fellow councillors and council officers with whom I need to work to carry out my council responsibilities and to represent my constituents,

2. members of Parliament, with a number of whom on both sides of the house I have previously enjoyed good standing,

3. the constituents of Hawker ward, who I represent on council, and

4. reasonable members of the public. I have been damaged in my associations with all of the above groups and in my occupation as municipal councillor.

I have also been damaged in my occupation as voluntary joint coordinator of the Green Wedges Coalition which requires me to have a good working relationship with members of Parliament of both political parties. The fact that the Liberal spokesperson, Mr Guy, has chosen to accept and to pass on this misinformation will make it difficult for me to represent the coalition in dealings with him and his Liberal parliamentary colleagues. Mr Guy's statement will also have damaged my standing as a Green Wedges Coalition representative with the following groups, with whom I have previously been able to deal in good faith: parliamentarians of all parties, councillors and officers of my own and other municipal councils, members of the 160 community groups that make up the Green Wedges Coalition and the general public.

I have been misrepresented and unfairly maligned by Mr Guy, and therefore I seek the opportunity to correct the public record by having my response as follows incorporated in the parliamentary record.

Response

Mr Guy has made a statement to Parliament in which he falsely implies that I have acted improperly as a councillor of the Kingston City Council.

It is particularly disappointing that Mr Guy has proceeded on the basis of misleading information and has conveyed a number of factual inaccuracies to Parliament without taking the basic precaution (or offering the basic courtesy) of contacting me to verify this information.

The facts are that:

1. The letter to which Mr Guy refers was emailed to me for my advice. It was not, as he told Parliament, about the Chicquita Park development, but concerned the route for a proposed bicycle path along the Beach Road foreshore.

2. It was not a 'protest' letter, as Mr Guy told Parliament, but a measured attempt by a ward constituent, Dr Colin Long, to convey community frustrations and to encourage council to include the roadside route favoured by the community, as well as council's preferred cliff-top route, in its consultation process. The letter commended surveys by local MP Janice Munt which demonstrated majority support for a roadside bicycle path like the one through Bayside.

3. Mr Guy falsely accuses me of 'asking people to write to (me)'. In fact, Dr Long, with whom I have become acquainted as a member of the Friends of Chicquita Park and a constituent of my council ward, proposed to send the letter to all councillors. I simply suggested he address it instead to 'Mayor and Councillors' to ensure its circulation, and as a measure of support to the same end provided him with a list of the councillors' publicly available email addresses, which included my own.

4. Mr Guy describes the Chicquita Park development as 'a development approved by the Kingston city councillors'. In fact the three-storey triple-shoebox-style display house currently built on the site was not approved by the majority of councillors. In fact, it contravened the planning permit issued by council last February and was opposed by council at VCAT in August, unfortunately unsuccessfully.

5. Mr Guy told Parliament that 'when it first came to council, Cr West voted in favour of it'. Some background is necessary here.

   Chicquita Park was leased from the federal defence department as a council reserve for 26 years before being sold to a developer in 2001. The park contains remnant native vegetation of two ecological vegetation classes: coastal manna gum heathy woodland and, in the south, the last remaining remnant in Kingston of the

sand heathland that once covered the surrounding coastal area.

I was elected to council in 2003 and again in 2006 on a pledge to save all or as much as possible of this park, and I make no apology for doing my utmost in this regard. With my support, council made a case to an independent planning panel in 2003 that 30 per cent of this site should be developed and the rest preserved as parkland. The panel instead accepted the submission of the Friends of Chicquita Park and recommended that the whole park should be acquired and preserved as public open space for environmental conservation, passive recreation and unstructured play.

Unfortunately, the council majority was unwilling to acquire the land but instead negotiated a 40 per cent open space developer contribution. I voted for the planning scheme amendment in response to a compromise offer by the majority councillors to spend $500 000 on acquiring more open space (on top of $200 000 they had agreed to spend to purchase a scout hall on 2.5 per cent of the site). While the $500 000 purchased only another 2.5 per cent of the park (600m^2) it enabled the open space to be rearranged in a more useful way, to open up a central open space to the benefit of existing and future residents.

This was a difficult call, and I have made clear at the time and since that I was voting for a lesser evil, and that in my view no development should ever have been permitted there.

6. Mr Guy accused me of 'organising protests to undermine this development' and 'sending out emails to scuttle it'. The protest to which he referred was proposed not by me but by an executive member of the Friends of Chicquita Park and was simply a call for residents to wear black as a sign of mourning for their park.

   Far from undermining or trying to 'scuttle this development', in parts of my email omitted by Mr Guy, I referred to this proposed protest and suggested participants might appeal to prospective purchasers 'to tell the developer they would rather buy a house in a park with the natural bushland preserved rather than bulldozed'. This was a reference to the torn trunks and foliage of a substantial stand of tea-tree recently bulldozed by the developer from the future public open space in front of his display house. This was done without a permit in contravention of the state government's native vegetation framework, and council has issued a fine for this illegal destruction. In my email, I expressly warned residents 'not to say anything that would discourage people from purchasing'.

7. Mr Guy said he has been 'advised that (I) sought to direct staff of the council to directly block the development'. While I have done what I could to minimise the impact of this development through the planning process, since the approval of the development plan and planning permit I have not attempted in any way to 'directly block' the approved development. I have certainly not directed staff to this or any other end.

   All I could do (and have properly done) was to attempt to make this developer keep to the terms of the approved plans and permit conditions. To that end, I have drawn council's attention to the many planning permit breaches reported to me by residents since work commenced on the site in April.

   Any delays are entirely the developer's fault and would not have been necessary had he been prepared to work to the approved plans and permit conditions.

8. I thank the President, the Honourable Robert Smith, MLC, for considering my request for a right of reply and hope for a favourable response so that I can clear my name of the significant slur on me by Mr Guy.

Right of reply: Dr Colin Long

The DEPUTY PRESIDENT — Order!

On 8 October 2007 the President received a submission from Dr Colin Long seeking a right of reply in response to comments made by Mr Matthew Guy on 20 September 2007.

I now advise the house that, pursuant to standing order 22.03, the President determined that no further action should be taken in relation to the submission from Dr Long.

BUSINESS OF THE HOUSE

General business

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

That general business on Wednesday, 5 December 2007, be taken in the following order:

(1) the notice of motion given this day by Mr Hall of his intention to introduce a bill to supplement Melbourne's water supplies by establishing targets for promoting the use of alternative water sources;

(2) the notice of motion given this day by Mr Drum of his intention to introduce a bill to amend the Tobacco Act 1987 to further control the effects of tobacco products on minors; and

(3) the notice of motion given this day by Mr Dalla-Riva concerning police corruption allegations.

Motion agreed to.

ANIMALS LEGISLATION AMENDMENT (ANIMAL CARE) BILL

Second reading

Debate resumed from 1 November; motion of Hon. T. C. THEOPHANOUS (Minister for Industry and Trade).

Mr VOGELS (Western Victoria) — I rise to speak on the Animals Legislation Amendment (Animal Care) Bill which proposes 113 amendments to the following three acts: the Domestic (Feral and Nuisance) Animals Act 1994, the Impounding of Livestock Act 1994 and the Prevention of Cruelty to Animals Act 1986. Most of the proposed changes are in line with community expectations, although there are questions regarding the level of consultation undertaken prior to the bill's second reading. Stakeholder groups consulted by the Liberal opposition each expressed some level of dissatisfaction with the consultative process undertaken by the government. With this in mind, the capacity of the Parliament, the stakeholders and the many individuals who will be impacted by this bill — who have all struggled to grasp the 113 changes proposed — to participate in a debate from an informed and educated position has been limited by the enormity of this bill, which contains 146 pages, and its speedy progression through the Parliament thus far.

Some of the proposed changes are in response to the ALP's November pre-election policy entitled 'Caring for pets in our community', which promised to increase penalties for animal cruelty by up to 100 per cent and to strengthen the Prevention of Cruelty to Animals Act. Before the election the ALP said it would provide $4 million to the Royal Society for the Prevention of Cruelty to Animals over four years to better investigate claims of animal cruelty and undertake prosecutions. It also said it would identify links between those who inflict animal cruelty and other violent and criminal behaviour by sharing data between the police and the RSPCA.

The bill is separated into four parts. Under 'Part 1 — preliminary' clauses 1 and 2 detail the purpose and commencement dates for varying sections of the bill. Part 2 contains amendments to the Domestic (Feral and Nuisance) Animals Act 1994, and clauses 3 to 44 include 41 changes. I will just go through some of the clauses that are dealt with in the second-reading speech but not all of them — obviously there are too many. I will deal with just the ones that we as a Liberal opposition think are important.

Clauses 3 and 4 allow for the regulation of the permanent identification of horses. This change does not make the permanent identification of horses compulsory, but it allows for regulations to be created that ensure the system of permanent identification is robust, accurate and consistent in terms of processing and technology. Currently there are several permanent identification systems in place within the horse industry, and this change is necessary to ensure consistency and to give the system integrity. The section of the act and the regulations dealing with microchip insertion, processing of paperwork, registry reforms, registry functions and reading technology can then be applied to horses and the regulations can be developed accordingly.

The Liberal Party does not support compulsory, permanent identification of all horses within Victoria until it can be demonstrated there are benefits to the community in terms of animal welfare and disease traceability and until the costs of such a change for horse owners are clearly identified.

Clause 6 increases the penalty for the failure to register or renew the registration of a dog or cat from 5 to 10 penalty units. The Liberal Party thinks this is a large increase — it is $1100. I do not see there is any animal cruelty involved here. I have a letter from the Royal Society for the Prevention of Cruelty to Animals which I would like to read. I must say that I was disappointed in the letter, but not because it gave me a serve — they can give me a serve any time they like. The letter is from Maria Mercurio and states:

> I am writing to express our great dismay and disappointment at your comments in the press about the state government's new animal welfare bill which has just passed through Parliament unopposed. Both Dr Worth and I were astonished to read of your labelling of the legislation as 'overzealous'.
>
> …
>
> The RSPCA has welcomed the changes which will shortly be gazetted as law and congratulates the government for its strong commitment to animal welfare. Increased penalties have long been an issue for which the RSPCA has advocated. As Dr Worth has stated publicly, '… Victorian animals will certainly be the winners when Parliament agrees to this legislation'.

Let me tell the RSPCA that the Liberal Party is not and never has been soft on cruelty to animals. What I was talking about on that issue was the cost of registering a pet. If you have not registered a cat or a dog, then to have a fine of $1100 slapped on you, I think, is overzealous. There are better ways of ensuring that people have their pets registered.

I know many elderly and frail people have a companion animal such as a cat or a dog. It is good for their health and a great help in their lives to have these animals around. They love them. I also know many of these people are struggling to meet the everyday cost of living — they are on the pension and so on — and they sometimes fail to register a dog or a cat. It does not mean they do not love them or are cruel, so I think if you are then caught and fined $1100 it is outrageous. In fact I think it would be great if we could look at old age pensioners and so on having a companion animal

without having to pay any registration fee, because I think it is good for their health to have them.

The independent national people and pets survey of 2006 conducted by the Petcare Advisory and Information Service said that compliance is already high. It states that 89 per cent of dogs are identified in some way; 65 per cent of cats are identified in some way; 79 per cent of owners have never had their pets go missing long enough to cause concern; and less than 5 per cent of dogs or cats ever need the services of a pound or shelter. I think the $1100 fine for not having a pet registered is over the top, but it is part of the bill and we are not opposing it.

Clause 9 removes the words 'upon conviction'. The principal act stipulates under numerous sections that people have to be convicted in order to be served with a financial penalty notice. This meant that people who were actually found guilty but had no conviction recorded escaped any financial penalty. The removal of the words 'upon conviction' rectifies this situation.

Clause 12 deals with penalties when a person's dog attacks a person or another animal. It creates two penalty options. The first provides that when the attack causes death or serious injury to a person or animal a penalty not exceeding 20 penalty units is applied. When the injuries caused to a person or animal are not serious in nature a penalty not exceeding 10 penalty units is applied. There is also another section that remains unchanged, that being 4 penalty units, when a dog rushes or chases a person. Again, we need to be pretty careful on this issue of when a dog rushes or chases a person, because most of the time the dog is not intent on harming anybody. We have farm dogs at our place, and when people arrive the dogs rush out to greet them by jumping on them; they probably want to lick them to death. Some people are frightened if they have not been around animals. We need to be careful that we do not too easily slap on 4 penalty units.

Clause 29 is basically a complete rewrite of part 7A of the Domestic (Feral and Nuisance) Act, which will make it clearer and more logical. Part 7A covers the powers to seize and to dispose of dogs and cats, and it also includes some additional powers for authorised officers. The Victorian Farmers Federation raised new section 77A as a matter of concern. This section deals with the ability of an authorised officer to obtain a magistrate's warrant to search a person's residence and to examine, identify and seize an animal. It is of some concern that a lot of these authorised officers seem to have even more power than the police; however, with the rider in the legislation that a magistrate's warrant is needed before this can actually happen, the Liberal Party is not opposing this section.

New section 80 allows for an authorised officer of a council to seize a dog they reasonably believe is a restricted breed of dog. This change to section 84 applies to the seizure of a dog or cat. Currently under certain circumstances a person may seize a dog or a cat on private property without permission at large. This power will remain. The bill proposes the creation of a penalty of 5 units if the person who seizes the animal does not deliver it to an officer of the council as soon as reasonably possible.

New section 84C provides for the seizure of abandoned dogs or cats. This is to resolve the apparently not uncommon event of tenants moving from a residence and leaving animals behind. Under the act currently, the ability of an authorised officer to seize an animal was limited. New section 84S, which is substituted by clause 29, stipulates the time between the council seizing a dog and its legal ability to destroy the animal. For seized dogs that have committed an offence and can be identified but whose owner cannot be contacted or is unwilling to provide an address, the bill proposes 14 days before the dog is destroyed, or 8 days if the dog has no identification. It could be argued that 14 days is too short a time if an owner cannot be contacted because they may have gone overseas or interstate on holidays. Once again a responsible person would ensure that there was someone there to look after their dogs or cats and that they were contactable in the event that their animals went missing. We do not have a problem with that.

Clause 39 is a bit of a worry. It deals with the capacity for decisions made under the act to be reviewed by the Victorian Civil and Administrative Tribunal. Under the current act only a small number of decisions are reviewed by VCAT. However, this change will take away a person's right to go to VCAT if there is an issue over whether the breed of dog is dangerous. An average punter can go to VCAT, but an average punter cannot go to the courts, as it would cost thousands of dollars. There is a concern with the provision in clause 39 which will mean that you are no longer allowed to take your case to VCAT.

Part 3 concerns amendments to the Impounding of Livestock Act 1994. In clauses 45 to 76 there are 31 changes. Clause 49 inserts proposed section 5A which will permit authorised officers to enter any abandoned land or building at the request of an owner if they suspect there are abandoned livestock on the premises, and they can impound any abandoned animals. Previously the ability of an authorised officer

to enter land was clear, but the ability to impound abandoned livestock was not.

Clause 62 involves the insertion of new sections 16A and 16B giving greater powers to authorised council officers to manage trespassing livestock. Section 16A will permit a council officer, upon reasonable belief of trespass onto any land or road, to serve a notice, in effect a formal warning, upon a livestock owner whose livestock has trespassed. New section 16B permits a council officer who reasonably believes that livestock are inadequately confined to serve notice upon a livestock owner and indicate what measures must be taken within a given time period regarding the confinement of the animals. Clause 69 will add a penalty of 20 units for repeat offences under proposed section 16A, and 50 penalty units can be imposed for failure to comply with the notice under proposed section 16B.

Clauses 62 to 69 collectively help redress a significant issue faced within rural municipalities. Previously councils have had the ability to impound livestock and serve notices et cetera, but if a farmer ignored these directions, very little could be done. Livestock wandering onto roads has been an ongoing issue in country Victoria for many years, so I think this is good legislation. Concerns have been expressed to me about situations such as where a tree falls and brings down a fence on a windy night or when an electric fence stops working, and stock stray onto a road. However, I am sure that the powers to be will take all that into account. I am sure and have been assured that there will not be prosecutions of people whose stock have wandered simply because, to use the examples I gave, an electric fence has failed, there is no power or a tree has fallen across the fence line and let cattle out.

The authorities will be looking for the people whose stock are regularly out on the road. Living in country Victoria, I know that drivers are very careful on certain parts of the road network because there are usually stock on the road — and those stock usually belong to the same farmers. So I do not have a problem with that part of the legislation.

With their 33 amendments, clauses 77 to 110 in part 4 amend the Prevention of Cruelty to Animals Act 1986. Clause 77 refines the definition of ‘dock’ for the purposes of the ban on tail docking of dogs and horses. It defines a prohibited procedure under section 31 to include ear cropping of dogs; de-barking of dogs; tail docking of horses; grinding, clipping and trimming of the teeth of sheep using an electrical motorised device; de-clawing of cats; removal of venom sacks from reptiles; and thermocautery or pin firing of horses. Each of these procedures has been demonstrated over many years to compromise the welfare of animals concerned, with little short-term or long-term benefit. Importantly, however, all these procedures can still be carried out by registered veterinary practitioners if they can be justified.

I do have a concern that down the line we will not be able to dehorn cattle or tail dock sheep or lambs. Dairy farmers may milk 500 or 600 cows and put them in the yard two or three times a day, and having a cow that still has horns in a confined space can cause an enormous amount of damage to the other animals in that yard. Dehorning cows is essential to good farming practice and to stopping cruelty being carried out by one animal on another.

There is another strange point here. What is so bad about tail docking a dog, for example? I have been told the answer is that a dog should be able to express itself — that if it is wagging its tail, it is happy, and if it is not wagging its tail, it is not happy. Its ears are also referred to. I can understand those sorts of issues, and I think tail docking of dogs is not necessary, and Victoria has legislation which bans that practice. However, the same people who say that a dog should be able to express itself are all in favour of desexing. If I was a dog and I had a choice, I know what I would sooner have done!

Currently within the Prevention of Cruelty to Animals Act the definition of an animal includes a fish, amphibian, reptile, bird, non-human mammal or live crustacean. Another proposed change to the act will define ‘a live adult decapod crustacean’ as ‘a lobster, crab or crayfish’. I might ask a question about that when the bill is in the committee stage. I wonder, in these circumstances, how you would prepare a crayfish for your meal? If you have caught a crayfish, but it has been deemed an animal under this legislation so that it has to be humanely cooked, for want of a better term, I am not sure how you go about doing that if you cannot drop it in a pot of boiling water, or whatever we used to do.

Ms Pennicuik — Don’t eat it.

Mr VOGELS — There is a comment, ‘Don’t eat it’. If you are not going to eat it, do not catch it — leave it in its environment.

Clause 80 removes prohibited procedures from section 9(1) of the Prevention of Cruelty to Animals Act as they are defined in amended section 3(1) and makes it clear that anyone who is guilty of an offence of cruelty is liable to a penalty of not more than

120 penalty units or 12 months imprisonment for a person or 600 penalty units for a body corporate. This change doubles the financial penalty and introduces the concept of a financial penalty for a body corporate. This was opposed by the Victorian Farmers Federation (VFF), because it says many farmers are increasingly adopting a corporate business structure and therefore may be liable to significant penalties. However, importantly the penalties apply only to those who are doing the wrong thing, and a penalty will be determined by a magistrate, who would be expected to apply a penalty consistent with the crime and size of the body corporate. The VFF also raises useful questions with regard to how penalties are determined and whether they are in line with community expectations — are they arbitrarily determined, are they indexed for inflation, are they in line with the extent of the cruelty or are they political judgements as to what would be popular? This is obviously all a judgement call.

Clause 81 doubles the penalty under section 10(1) for aggravated cruelty. Aggravated cruelty is cruelty that causes death or serious disablement of an animal, and it is usually considered to have a malicious motive. Aggravated cruelty is a particularly serious crime and needs to be treated accordingly.

Regarding clause 82, the Liberal Party intends to move an amendment to delete new section 11A(2), which is inserted by the clause. This is to do with tail docking. As I said before, it is already illegal to dock the tails of dogs. New section 11A(2) states that an owner or person in charge of an animal on which a prohibited procedure has been carried out must not show or exhibit the animal — which refers to public display, competition or performance — or allow another person to show or exhibit the animal unless the procedure was carried out before the commencement of the act or within another jurisdiction in which it was or is permitted. The penalty is 20 penalty units or $2200. Dogs Victoria opposes this change because it believes that dog shows could be interrupted by authorised officers who may wish to see appropriate paperwork to ascertain that a tail was docked legally — that is, before 2004 in Victoria or interstate or even overseas. After considering the organisation's objection, the Liberal Party thinks it has a valid point. The legislation already exists to prohibit tail docking, so creating another offence to show a docked animal is a second layer and the provision is redundant.

Given that the tail docking ban has been in place for only two and a half years, there is also an argument that a large number of dogs which have had their tails docked legally are still in the community and attending shows. In five or six years time, when there will be very few docked animals at shows, if a dog with a docked tail takes part in a show, it will probably be fair enough for the person showing the dog to have to prove that the procedure was done in Western Australia or that the dog came from overseas, because no Victorian dogs with legally docked tails will be attending shows. The Liberal Party intends to move an amendment to delete the provision. Dogs Victoria also argues that the change focuses on only one section of the dog-owning world, which is already responsible and is obliged to follow industry rules and breed standards that oppose tail docking, and leaves out less responsible owners who do not show their dogs and who are more likely to continue tail docking.

Clauses 85 and 86 increase the penalties for baiting and luring and for trap shooting under sections 13 and 14 of the Prevention of Cruelty to Animals Act, and clause 87 increases the penalties for the selling, setting and usage of leghold traps that are not permitted under the regulations.

Clause 87 is to do with traps and banning people selling traps. When I go to clearing sales in country Victoria I often see a few rabbit traps lying around that are to be auctioned on the day. People take them home to hang on the wall or in the shed as some sort of memento of the past. I wonder whether that is going to work, but the provision is in the bill. Baiting and luring include keeping an animal in a premises to cause it to fight and releasing an animal into captivity to have it hunted, killed and chased in the training of greyhounds. The minister may create geographic exemptions for setting leghold traps under this section through publication in the *Government Gazette*. The VFF feels it should be the opposite way around — the minister should declare where traps are not permitted rather than where they are permitted.

Clause 88 doubles the penalty for an unrestrained dog on or in a trailer or the tray of a moving vehicle from 5 to 10 penalty units. The VFF claims the penalties are far greater for unrestrained dogs than for unrestrained children. In schedule 4 of the Road Safety (General) Regulations 1999 it is stated that the penalty for having a child under the age of 16 unrestrained in the front or back seat of a car is 1.65 penalty units. The new penalty for having an unrestrained dog in section 15A(2) of the Prevention of Cruelty to Animals Act is 10 penalty units.

The penalty for having a child unrestrained in the back of a ute or a trailer is $165-odd and the penalty for having a dog unrestrained in the same circumstances is $1100. I think that is a bit out of whack with what an average person would think was more important. I

would have thought having a penalty of 1.65 penalty units for having an unrestrained child in the back of a ute or trailer and a penalty of 10 penalty units for having a dog unrestrained was out of kilter with community expectations. There is an exemption for dogs when they are at work. The Road Safety (General) Regulations say at schedule 4 2543:

> Driver carrying passenger under 16 years improperly seated or unrestrained in or on part of motor vehicle designed for carriage of goods … 1 x 65 penalty units.

Clause 89 inserts new section 15C to make it an offence to intentionally or recklessly allow an animal with a heritable defect to breed. It also makes it an offence for a person to sell or dispose of an animal with a heritable defect if the person is aware of it. A heritable defect is defined under the schedule to the act and is limited to five diseases in dogs and three in cats. I will not name them at the moment because they are all very well known to the industry. All these diseases can be easily diagnosed and tested for. There is no question that the listed diseases that exist throughout the dog and cat population are considered important. To a certain extent the breeding industry is already self-regulating with regard to the listed diseases in any case, but there is certainly a small number of breeders who through breeding knowingly disseminate these diseases free from consequences.

Dogs Victoria is opposed to this change, saying that this disadvantages it and will detract from its members' willingness to fund research into genetic diseases. The act looks at genetic diseases simplistically, because diseases have varying levels of expression and varying effects on animals and can be recessive — that is, present genetically but not necessarily causing disease, and you need to allow recessive-gene-carrying animals to breed to get offspring that have the disease. In opposing this section you would need to educate the Parliament on genetics, and I do not intend to do that because I would not be able to. Probably someone with a veterinary degree would be needed to do that.

Clause 95 is a comprehensive rewriting and clarification of sections 21 to 24 of the Prevention of Cruelty to Animals Act in regard to the powers of inspectors. These changes do not substantially alter the powers of inspectors but provide that if animals are confiscated or put away the RSPCA, or whoever it may be, can claim reasonable costs and expenses incurred in seizing and retaining the animals. It can be very expensive to take away a flock of sheep because they have not been fed properly. Someone will have to look after them and feed them, and that costs money. A lot of the time these animals are seized from people who have no money. I think this is another good piece of legislation. Clauses 97 to 104 increase the penalties for carrying out scientific procedures without a licence when outside scientific premises and for other offences.

In conclusion the Liberal Party will be moving an amendment to delete clause 82 which inserts new section 11A into the Prevention of Cruelty to Animals Act. It deals with the showing of dogs which have had their tails docked. As I have said, tail docking is already illegal in Victoria; it has been illegal for over two and a half years. We believe there is no need to have clause 82 in the legislation.

Mr HALL (Eastern Victoria) — It is my pleasure this morning to speak on behalf of The Nationals in Victoria on the Animals Legislation Amendment (Animal Care) Bill. We are looking at a significant piece of legislation. It affects animals probably in all spheres. It impacts on the way in which animals in the wild are looked after and cared for. It also impacts on animals which are used for the production of food and fibre. There are also amendments relating to the care of companion animals.

Animals of course play an important part in our lives and coexistence on this planet. I think it is appropriate that there be some regulatory structure in place to ensure that they are well cared for, looked after and, in some instances, protected as well, in a balanced way. That is what the legislation in relation to these matters is all about. It ensures that the care and welfare of animals is dealt with in a balanced manner.

This particular amendment bill before us amends three separate acts of Parliament: firstly, the Domestic (Feral and Nuisance) Animals Act 1994; secondly, the Impounding of Livestock Act 1994; and thirdly, the Prevention of Cruelty to Animals Act 1986. I have to say that I am a little surprised, as this is a significant bill of 113 clauses and 2 appendices, that there is such a broad range of consensus regarding the need for these particular changes. While there have been some issues raised with The Nationals — and I will deal with those during the course of my contribution— the majority of the measures contained within these 113 clauses appear to have fairly broad support right across Victoria. Despite the comments that I will make on a few particular provisions, The Nationals will not be opposing this amendment bill.

As I said, the first part of the bill amends the Domestic (Feral and Nuisance) Animals Act 1994. Given that there has been consensus on most issues, I do not want to speak in detail about them. I simply want to highlight some of what we believe to be the significant changes to the Domestic (Feral and Nuisance) Animals Act.

Firstly, the name of that act is going to be changed to Domestic Animals Act because the microchip identification standards for horses will now come under this act. Some may argue that horses are feral animals or nuisance animals in some senses, because they run wild and cause some concern in some of our wilderness areas and state national parks. But, generally speaking, it seems to be a sound measure to develop a uniform identification system for horses. The microchipping of dogs and cats has been a significant advance and well accepted by the community. It is seen to be an efficient means of identifying those particular animals. I am sure it will be the same for horses. We welcome that particular change.

There are also increases in penalties for a failure to register cats and dogs with local councils. While I take on board the comments made by Mr Vogels about the excessive increase in penalties in some particular areas, I think there should be strong penalties for the failure to register dogs and cats, particularly those which live in towns. We are supporting the increased penalties for the failure to register cats and dogs.

There is also a greater range of offences for which infringement notices can be served. That is an efficiency measure which we believe makes a lot of common sense and is preferable to a lot of the infringements of the act ending up in the courts and clogging up the court system. We support the greater ability of authorised officers to issue infringement notices.

With regard to restricted breeds of dogs, the bill increases the power to seize when in doubt of the particular breed and includes greater restrictions on the number of restricted breeds that can be kept on one property. That is a balanced response to community concern about restricted-breed dogs, of which there are only a couple classified as such in Victoria at the moment, but the community view and feeling is that there needs to be greater diligence in the way restricted-breed dogs are handled in this state. We support the amendments in that regard. There are also greater powers to seize abandoned animals. While some people may feel these provisions can be subject to abuse on occasions, on the whole we believe this is a balanced approach to the problem. That deals with some of the amendments to the Domestic (Feral and Nuisance) Animals Act.

I will mention a couple of the amendments to the Impounding of Livestock Act 1994. These amendments will mean increased powers to address problems with trespassing livestock not confined to an owner's property. Some might think these increased powers are fairly harsh, but we are of the view that this is a significant problem, and if it is dealt with responsibly, we believe the measures contained in this bill represent a balanced way to deal with the issue. There will also be increased powers to enter property and impound abandoned livestock. There have been some well-noted cases recently where it appears that livestock have been abandoned and there has been a need for authorised officers to step in and impound them for the sake of the welfare of the animals. On balance we believe these to be reasonable measures as long as they are applied in a responsible fashion.

I want to turn to some of the amendments relating to the Prevention of Cruelty to Animals Act 1986, because concerns relating to this series of amendments have been raised strongly with us. There is certainly an increase in penalties for many offences under this act, and as Mr Vogels said, this issue was raised by the Victorian Farmers Federation with all parties. The VFF's letter to the people responsible in each of the parties — Mr Vogels; Dr Sykes, the member for Benalla in the other place, in our case; and I presume Minister Helper in the other place, as the responsible minister — requested discussions in relation to this matter. I know Dr Sykes has been involved in discussions with the VFF, and I hope the government has as well. The VFF presents a valid case arguing that, for example, the comparative weight of the offence of carrying unrestrained dogs in utes compared to that of carrying unrestrained people in motor vehicles does not seem to be appropriate. The federation suggests that the weighting applied to various penalty notices across a whole range of acts should be looked at, and I think it has expressed a valid concern.

Some cruelty-related animal procedure offences which are currently dealt with under regulations will be brought under the act, as will the new definitions of those procedures. They are listed on page 61 of the bill at clause 77; I do not need to read them into the record.

The issue of animal traps, particularly those with steel jaws, is perhaps dealt with most succinctly on page 8 of the minister's second-reading speech, which says:

> The bill will also make it an offence for a person to set, use or sell a trap that is not of a kind prescribed under the regulations, or not set, use or sell a trap in accordance with prescribed conditions.

The minister also said:

> Museums and collectors are exempt from the prohibition of selling traps, provided the traps are sold for collection or display purposes only. Further, the minister will have the power to declare, by order, the areas in Victoria in which prescribed large leghold traps may be used.

This issue was specifically raised by the Victorian Farmers Federation (VFF), which was strongly of the view that it would be easier to define where they cannot be used rather than where they can be used, and indeed The Nationals support that view as well.

It is important to acknowledge that we have a serious wild dog problem in Victoria, and the use of steel-jawed traps is not uncommon in the combating of wild dogs, so we share the view of the Victorian Farmers Federation that there is a role for steel-jawed dog traps and that it would be easier for the minister to prescribe the areas where they cannot be used rather than the areas where they can be used. We need an immediate response to some of these problems as they arise, and if new regulations have to be promulgated every time there is a new area where there is a need for such traps, then there will be a delay. We believe it would be far simpler to prescribe those areas where they cannot be used rather than those where they can be used. That is an issue we raise in relation to that amendment to the Prevention of Cruelty to Animals Act.

There are also amendments to that act providing that the period for which the courts can order that a person convicted of matters of a serious nature be disqualified from having custody of any animal will be increased from 5 years to 10 years. The VFF again suggested to us that there should be a staged implementation of these increased penalties, perhaps initially with 5 years for a first offence and 10 years for a second offence. As I said before, the VFF was seeking discussions with the government on these matters, and I trust those discussions will take place so that a mutually acceptable response can be achieved on that particular issue.

The bill also contains amendments to legislation covering a range of other matters, including rodeos, which appear to have attracted no negative comments. Certainly no negative comment was expressed to The Nationals.

I want to go to the issue of the breeding and selling of dogs with a heritable defect, because this is certainly the issue of most concern that has been raised with Dr Sykes, the member for Benalla in the other place, myself and others within The Nationals. We have received some very significant correspondence from a wide range of people on this particular issue, which is probably best described by the minister in the second-reading speech, which states:

> The bill makes it an offence to intentionally or recklessly allow an animal with a specified heritable defect to breed or for selling an animal with a specified heritable defect without first advising the new owner.

The minister went on to list some penalties for doing so.

We have received numbers of items of correspondence from various individuals and members of organisations who have expressed their concern about this in a very responsible way. Many of the dog clubs and members of Dogs Victoria have approached this issue by adopting a particular breeding code of conduct, and they believe that better addresses the issue than a blanket prescription in the legislation making it an offence in the way I have just described. We have received correspondence from Dogs Victoria, which set out extensively its concerns with clause 89. It has expressed that view widely to the government and to opposition parties.

In response to this particular issue I have also had correspondence from Julie Nelson, who is the chief executive officer of Master Dog Breeders and Associates in Victoria. I have also had correspondence from Mrs Joanne Atkins of Seymour. Joanne says that she is the secretary of the Dalmatian Club of Victoria, the Non-Sporting Dog Club of Victoria, Kilmore A & P Society and the Yea and District Canine Association, and she has been very heavily involved with a number of dog organisations. They are just some of the significant number of submissions made to us on this issue.

I also note that the issue was raised in debate by both the Liberals and The Nationals when the bill was debated in the other chamber. I know that following that debate The Nationals spokesperson in this area, Bill Sykes, wrote to Minister Helper about this matter.

One of the points he made in this letter is:

> Further to our recent conversations regarding the concerns which I have raised on behalf of dog breeders, it is my understanding that you have agreed that:
>
> 1. Clause 89 is to apply only to affected animals, not carriers of recessive genes;
>
> 2. Breeders participating in recognised breeding programs to eliminate serious heritable diseases will be exempt from this clause — that is, thereby allowing them to breed from affected animals in some cases, for example, breed affected to clear animal to produce carrier offspring to then breed to clear animals again to progressively reduce disease over two to three generations.

He went on to express his concerns and to state what he believes needs to be done.

To his credit — and I pay credit to him — the Minister for Agriculture has responded to Dr Sykes and to Dogs

Victoria and other organisations in a positive manner in respect of this particular issue. I note that on 15 November the minister wrote to Mr Doug Ford, the president of Dogs Victoria, and stated in his letter:

> Following on from our meeting at Parliament house on 1 November 2007, I am writing to confirm in principle my offer to develop a code of practice for the responsible breeding of animals with heritable disease which aims to address concerns of Dogs Victoria.
>
> The intent of the code of practice will be to provide an exemption under section 15C of the amended Prevention of Cruelty to Animals Act 1986 for approved breeding programs, such as those administered by your breed society members.

That was the request put to the minister by Dr Sykes and of course others, including members of Dogs Victoria. Importantly I note that Dogs Victoria has responded to the Minister for Agriculture on this particular issue. In a letter of 30 November it stated:

> Thank you for your recent letter in which you advise your intention that the code of practice for the responsible breeding of animals with heritable disease will provide an exemption under section 15C for approved members of Dogs Victoria.

It went on to compliment the minister for being involved in the discussion and development of the code, which is great, but further on in its letter it made an important point, which I will quote:

> Dogs Victoria recommends that to ensure the workability of the code of practice it needs to be clearly linked to clause 89C(15) of the act, now in the Parliament.
>
> Whilst we appreciate the general levels of agreement between the Bureau of Animal Welfare and Dogs Victoria in this respect, it is nevertheless critical that the relationship between the code of practice and the intent of the legislation is made when the legislation is debated in the Legislative Council.
>
> This will provide our members with confidence that the code of practice will be a powerful mechanism to drive improvements in breeding practice.
>
> To this end, Dogs Victoria would welcome a clear statement by the government when the legislation is being debated in the Legislative Council to clarify the intent of the legislation and how the code will be backed by the legislation.

That was a call from Dogs Victoria. I hope that government members or the minister in responding to this second-reading debate will give that clear statement of intent and assurance sought by Dogs Victoria so that the concerns expressed in the many representations that I am sure all members have received on this issue can be adequately addressed.

I thank the minister for his consultation with Dogs Victoria, which represents a whole range of dog breeders in this state. Again, given the request that I have just quoted from that letter, a clear statement from the government would be helpful to finally clarify this matter and ease the concerns of those who have expressed them to us a members of Parliament.

Finally, I thank my colleague in the other house Dr Sykes for his work on this legislation. As I have said before, it is always helpful to have a vet in the ranks when you come to discussing bills on animal welfare. I know that the Liberal Party with Dr Napthine and The Nationals with Dr Sykes are well served in having this expertise to assist us in consideration of these complex matters. I thank Dr Sykes for the consultation that he has undertaken and the work he has done with the various animal groups in Victoria and the VFF to address some of the concerns that they have raised with this legislation.

On the whole, as I said, The Nationals will not be opposing the bill. I understand that some Liberal Party amendments about the showing of dogs may come before us. We have had some consultation about them and consider them sensible. The Nationals will be prepared to support them.

I also note that Ms Pennicuik is likely to move some amendments regarding steel-jawed traps. As I said in my comments during the course of the debate, we believe there is a role for the continued use of steel-jawed traps and we would not support a blanket ban as such in Victoria. We do not believe there is a call for that at this time. With those remarks, I reiterate that The Nationals will not be opposing this legislation.

Ms PENNICUIK (Southern Metropolitan) — I am happy to speak today on the Animals Legislation Amendment (Animal Care) Bill. Mr Vogels and Mr Hall have gone through some of the provisions — Mr Vogels very comprehensively — in this rather large bill. Certainly the Greens' view of the bill is that it does some good things — for example, it extends the limitations from one to three years for commencing proceedings for certain animal cruelty offences, which was part of the government's pre-election commitment. It doubles the penalties for animal cruelty offences and introduces corporate penalties for offences relating to cruelty, aggravated cruelty, baiting and luring, trap shooting, trapping and illegal scientific use of animals.

It also makes it an offence to tail dock dogs and to fire horses. These offences were previously provided for under the regulations but with the passage of this bill will come under the act. It introduces new offences for procedures such as grinding and trimming the teeth of sheep and removing the claws of cats or the venom sacs of a reptile unless performed by a veterinary surgeon

for therapeutic purposes. It makes it an offence for an owner of an animal to allow such a prohibited procedure to be performed.

The bill also provides for wider powers of search for inspectors. Inspectors can apply to a magistrate for a search warrant for residential premises and/or vehicles and take anything described in the warrant, and can also require a person to give information to an inspector about whether an offence against the act has been committed. This is welcome because inspectors are often denied access to these things and so cannot properly investigate whatever incident or issue they are investigating.

However, there is a question about the inspectorate in terms of the Prevention of Cruelty to Animals Act, which I will refer to a bit later in my contribution. While we welcome and are generally supportive of the amendments under the domestic animals legislation, which will now be called the Domestic Animals Act, you would have to say that in terms of animal welfare in Victoria this bill moves us a little way forward in some areas but keeps us stationary in other areas where we are not becoming less cruel to animals and are not enshrining in law prohibitions on practices that are still allowed in Victoria. For example, the state of Victoria still allows duck shooting, which is not allowed in other states. The state of Victoria still allows rodeos. I will be returning to that later in my contribution.

As I mentioned in the last sitting week in debate on my motion to disallow the pig code, the codes of practice for farm animals still allow various acts of cruelty. I mentioned the tail docking and teeth clipping of pigs. I also mentioned the keeping of sows in sow stalls, which will still be allowed in Victoria for the next 10 years, whereas it is being phased out in the European Union, in parts of America and in New Zealand. Also in the EU the use of battery cages for hens will be prohibited from 2012 — that is, in five years time — but we still allow that in the state of Victoria. We should not be thinking that this bill somehow moves us into animal welfare nirvana because it certainly does not.

We welcome some of the increases in penalties. For example, the penalty for baiting or luring an animal or attending an event at which an animal is encouraged to fight another animal has been increased from 12 months to two years imprisonment. The maximum penalty for setting one animal to fight against another, which is a serious thing and not acceptable to most members of the community, is two years. You would have to ask whether that penalty truly reflects the suffering caused to the animals and the assault on our society that that sort of behaviour exhibits.

I draw a comparison between the Graffiti Prevention Bill, which I spoke about during the last sitting week, which provides for a maximum two-year prison sentence for marking graffiti — which will apply in 70 per cent of cases to minors — and this bill, which provides for a two-year maximum penalty for baiting or luring an animal or attending an event where animals are set against each other.

I draw attention also to the offence of aggravated cruelty against an animal, for which the penalty is increasing from 12 months or 240 penalty units to two years in prison for a natural person and 1200 penalty units for a body corporate. That is good, but aggravated cruelty is an act of cruelty upon any animal which results in the death or serious disablement of an animal. It encompasses the most extreme and extended cases of brutality and would equate to murder or attempted murder if it were perpetrated on a human being.

In a letter about this bill to the government, Lawyers for Animals have submitted that a more adequate sentence for use in extreme cases of cruelty where genuine remorse is lacking would be between five and eight years, bearing in mind that that is if we are relying on imprisonment only. They make the point, and I agree, that imprisonment only is not enough. There needs to be rehabilitation of the people who are involved in or convicted of cruelty, particularly aggravated cruelty, against animals. The evidence tells us that cruelty to animals is closely linked to violence against humans, and rehabilitation of people in this area is very important and necessary.

Mr Hall pointed out that when a person is convicted of a serious offence under the Prevention of Cruelty to Animals Act, the period of time during which they should not be in control of an animal is increased from 5 to 10 years under this bill. There would be cases where the offence committed against an animal was so serious that the person perpetrating it should be prohibited from having control or ownership of an animal for life, so a ban of 10 years in cases of such aggravated cruelty may not be long enough, especially if there has been no rehabilitation.

I note that Lawyers for Animals also submitted that that time limitation fails to achieve the protection of animals by failing to take into account the possible psychological disorder of the offender when the offence was committed and which may, if they are not rehabilitated, continue with them for life.

Under this proposed provision individuals who are most likely to reoffend will be allowed to own

animals — a fact which neither helps them nor helps the animals they may acquire.

This bill introduces more regulations dealing with rodeos, but basically it just increases the penalties for not having a permit to hold a rodeo. I downloaded what a permit to hold a rodeo actually requires. Really it does not require a lot of protection of animals used in rodeos. It just talks about the types of animals that can and cannot be used. It requires that sick or injured animals must be removed quickly and things like that.

Paragraph 11 of the permit conditions says:

> A flank strap must incorporate a quick-release device that is lined to effectively prevent injury or undue discomfort to the animal.

A flank strap is designed to cause undue discomfort to the animal — that is what it is for. So that seems to be a bit of an oxymoron in there. It also says:

> Sharp or cutting objects must not be used in a cinch, saddle, girth or flank strap.

That is stating the obvious. All that the permit to hold a rodeo does is provide some very minor organisational-type requirements in terms of the conduct of a rodeo. Rodeos are opposed by most animal welfare groups. The Greens animals policy commits us to abolishing all cruel and inhumane treatment of animals used in sport, recreation and entertainment, including rodeos, animal circuses, steeplechasing and displays of live animals.

While this bill is increasing the penalty for not having a permit to hold a rodeo, a permit to hold a rodeo is basically a permit to hold an event which is a cruel spectator sport. It is a sport in which bulls, horses and sometimes other animals are physically provoked into displaying so-called wild behaviour by the use of such devices as spurs, electric prods and flank straps. Rodeo animals may suffer many kinds of injuries and are sometimes killed or so badly injured that they have to be destroyed. I refer the house to the Animals Australia website:

> Bull riding involves releasing a bull from an enclosure called a … chute, and the rider holds on by one hand for as long as possible while the bull attempts to 'buck' them off. A flank strap is pulled tightly around the bull's sensitive organs, which makes him buck unnaturally when released from the chute.
>
> In addition, rodeo assistants routinely use hand-held electric prods on the bulls as the chute gate opens — and so further driving the bulls to buck wildly as they emerge. A Chicago rodeo organiser is quoted as saying, 'Bulls today have been bred to be docile. You can't make an animal buck if you don't do something to it'.

It goes on to describe calf and steer roping:

> Contestants on horseback must rope a calf (usually within 60 seconds) and throw the calf, then any three of its hooves must be tied together and held for 5 seconds.

I note under the permits that animals under 200 kilograms in weight are not able to be used but that animals over 200 kilograms are able to be treated in this way. On team roping, the website says:

> In this event two riders rope a horned steer, one at the head, the other at the hind legs, again usually in a maximum of 90 seconds. The difficulties —

of this manoeuvre —

> may lead to the steer being pulled in different directions at the same time.

It says about steer wrestling, or bulldogging:

> The contestant must jump off the horse and grab the steer by the horns, stopping it and twisting its neck to bring it down.

The animal can sustain injury to its horns, and neck twisting can cause considerable pain and injury. In regard to bareback and saddle bronc riding, the website says:

> In these bucking events, the contestant attempts to stay on a horse for 8 seconds, holding on with one hand. A flank strap and spurs are used to make the horse buck.

To me that is no different. Basically it is a sport that is allowed because people make money out of it and some people are entertained by it, but basically all that happens is that animals are mistreated.

It is not better than bullfighting or bear-baiting or cockfighting or anything else. It is on a par with those types of entertainment — that is, spectacles — at which animals are treated in the most disgraceful manner. It is a disgrace that we allow this form of entertainment, at which animals are hurt and have to be destroyed or are killed or severely injured. This bill does not take us forward into more civilised behaviour other than by just increasing the penalties for not having a permit for staging a rodeo. What should be happening in the state of Victoria and around Australia is that rodeos should be banned and consigned to the dustbin of history where they belong.

The other issue I would like to deal with in relation to the bill is steel traps, and I have amendments which I am happy to have circulated. Some members have already seen them.

Greens amendments circulated by Ms PENNICUIK (Southern Metropolitan) pursuant to standing orders.

Ms PENNICUIK — My amendment is to clause 87 on page 70 of the bill, and is in regard to the use of steel-jawed traps. While the provision is welcome and the government should be commended for increasing the penalties for illegal trapping, the bill allows for the continuation of the use of steel-jawed traps in Victoria in an area that is designated by the minister.

This contrasts with New South Wales which, under section 23 of its Prevention of Cruelty to Animals Act, bans the use of all sizes of steel-jawed traps be they small or large unless they are soft-jawed traps — that is, those that have a rubber-like padding on each jaw which cushions the initial impact of the trap and provides friction. This prevents captive animals from sliding along or out of the jaws and causing further injury to themselves.

The New South Wales Department of Primary Industries has acknowledged in its model code for the practice of the humane control of foxes that steel-jawed traps should not be used as they cause significant injury, pain and distress and are currently illegal in most states. They are not illegal in Victoria and while we have an alternative, which is a trap with padded jaws — and I could have an argument about how we deal with feral animals — in this case I am going to this provision in the bill where we have a major jurisdiction in Australia which has prohibited or banned the use of steel-jawed traps unless they have the padding on them so that the animals are not in excruciating pain from having their leg or another part of their anatomy caught in a steel-jawed trap and in which they can slide and cause themselves more injury in their distress.

That is not to say that padded straps do not cause injury and pain, but they cause far less than the steel-jawed traps. For the life of me I cannot understand why, when we have that alternative in use in another major jurisdiction — and I was not able to find out exactly what other jurisdictions, but I know it is used in other jurisdictions as well — Victoria cannot move forward in this respect and use the most humane trap available rather than one that is causing unnecessary distress and injury to animals. That is why I will be moving this amendment, which mirrors the provision in section 23 of the New South Wales Prevention of Cruelty to Animals Act.

Another issue that I want to touch on briefly is the issue of the inspection. Under Victoria's Prevention of Cruelty to Animals Act, inspectors in the Department of Primary Industries are appointed by the Minister for Agriculture. The Royal Society for the Prevention of Cruelty to Animals (RSPCA) also employs officers who are appointed for periods of three years, and such appointments can be renewed every three years. By default, police officers are also inspectors, and some councils employ their own inspectors. By our count there are 430 animal inspectors in Victoria plus the police. In my view members of the government and people in the broader community should turn their minds to whether we have the best system in place for ensuring that cruelty to animals does not take place. For example, during the last sitting week I moved that the Code of Accepted Farming Practice for the Welfare of Pigs that was laid before this house on 21 August be disallowed.

It is my view, and the view of many other people, that the Department of Primary Industries has a conflict of interest in that it is a body that acts as a cheer squad for the domestic farming of pigs, cows, sheep, chickens and other animals and also has responsibility for inspecting animal welfare under the Prevention of Cruelty to Animals Act.

By default, the RSPCA is the body responsible for the welfare of companion animals in this state and in other states. I raise the issue that the RSPCA is a private organisation which is responsible to its committee and to its members. Its work is also underfunded. According to its website, the cost of running the RSPCA inspectorate is $2 million a year. That money is generated from court fines, if the RSPCA presses charges. However, if court fines are imposed on offenders, those moneys go to the government. The government in turn gives the RSPCA a grant of about $300 000, which falls quite a bit short of the $2 million that the RSPCA says it needs to run its inspectorate. The RSPCA is a registered charity and gets a lot of its funds from individuals in the community.

The situation is that individuals in the community make donations to the RSPCA, which then uses the money to enforce an act of the Victorian Parliament — Victorian law. I think we need to look at whether that is an appropriate model. In South Australia some controversial situations have arisen. Some people have alleged that RSPCA inspectors have failed to raise issues which should have been raised. The issue is about the capability, the capacity and, in some cases, the willingness of RSPCA inspectors to initiate prosecutions, and about whether we need an independent charitable organisation or an independent part of the public service to administer the Prevention of Cruelty to Animals Act in matters that relate to the welfare of wild, domestic and companion animals.

With those comments I will finish up my contribution. I urge members of the house to consider carefully my

proposed amendment regarding the use of steel-jawed traps in Victoria.

Mr SCHEFFER (Eastern Victoria) — I speak in support of the Animals Legislation Amendment (Animal Care) Bill. As previous speakers have observed, the bill amends three acts: the Impounding of Livestock Act, the Domestic (Feral and Nuisance) Animals Act and the Prevention of Cruelty to Animals Act. A large part of the amendments involves extensive redrafting to improve the structure and consistency of the Prevention of Cruelty to Animals Act and the Domestic (Feral and Nuisance) Animals Act. The bill is of a machinery nature and really reconciles some of the provisions of those two pieces of legislation.

The amendments overall deal with a wide range of matters, including increasing penalties for cruelty to animals and toughening up the Prevention of Cruelty to Animals Act so that authorities can better carry out investigations and prosecutions. The bill will provide them with wider powers to search premises and to seize animals that have been neglected or abandoned. The bill also makes it an offence to perform prohibited procedures on animals. It makes it an offence to use or to sell or to set harmful animal traps, and it makes it an offence to breed animals that have a proved heritable defect — a defect that could cause serious welfare consequences for the offspring of the animal.

The bill implements the commitments the Labor government made during the 2006 Victorian election. Those commitments were that we in government would legislate to increase penalties for people convicted of cruelty to animals. Labor's policy statement, entitled 'Caring for pets in our community', stated that penalties for animal cruelty would be increased by up to 100 per cent. It is important to update and keep the penalties contained in the Prevention of Cruelty to Animals Act in line with changing community sentiment around unprovoked attacks on defenceless animals. The government committed to consulting the Animal Welfare Advisory Committee on the proposed tougher penalties and clearer offences for those who attack and harm animals to more properly reflect the level of community concern about these issues.

The 2006 election commitment should be understood against the government's prior achievements in this policy area, which are worth recounting at this point. Since 1999 the government has outlawed the tail docking of dogs. We have introduced compulsory microchipping for cats and dogs. We have provided funding to local councils to subsidise the cost of microchip scanners. We have introduced restricted-breed laws to breed out dangerous breeds of dogs. We have established a statewide register for dangerous dogs with tough conditions on the kinds of enclosures and signage that need to be used, and we have extended the Ombudsman's power to investigate the RSPCA (Royal Society for the Prevention of Cruelty to Animals) to make sure it is accountable for its investigations. I think these measures have been widely supported in the community, and it is important to restate them briefly here.

Existing penalties for animal cruelty have been reviewed, and in line with community demands the government has introduced amendments in this bill that will double those penalties. The central aspiration, I guess, of the legislation is to protect the wellbeing of animals by prohibiting certain practices and penalising people who perpetrate cruelty against animals. This is the clear tenor of the government's policy, which recognises that the community wants to see animals treated humanely. I think it is fair to say that the most widespread cruelty against animals results from unintentional neglect that comes from ignorance. The best way to deal with that kind of cruelty is through community education programs.

There is also a more worrying form of cruelty that is intentional and involves inflicting pain and suffering on animals through depriving them of food and water, enclosing or isolating them, or even mutilating, maiming and killing them. The fundamental problem with this kind of behaviour is of course that it is morally wrong. When you look clearly at the provisions in the three acts amended by the bill each is informed by that moral imperative.

The law, and these amendments, are opposed to animal cruelty because it is wrong to inflict intentional cruelty on any living thing and also because, I believe, it is a sign that the perpetrator is psychologically distressed and is most likely caught up in a cycle of violence that can lead to harming other people. I think it is reasonable to say that there is a connection between being cruel to animals and having a disposition to be cruel to people. The evidence would suggest a link between violence against animals and violence perpetrated on children, partners and aged parents, for example.

The minister said in the second-reading speech:

> The bill will double penalty levels and introduces corporate penalties for offences relating to cruelty, aggravated cruelty, baiting and luring, trapshooting, trapping, illegal scientific use of animals and rodeos under the act.

He further stated:

> Corporate penalties have been introduced to allow for appropriate penalties to apply where large corporations

commit a cruelty offence. This is a result of the government's pre-election commitment to increase penalty levels for animal cruelty offences.

It is very important to support the government's policy of keeping the penalties contained in the Prevention of Cruelty to Animals Act in line with changing community sentiment. The Victorian laws are concerned with the protection of animals against cruelty. They have a long history, and the moral underpinning to those laws goes back to the United Kingdom in the early 19th century. The antecedent to the RSPCA was formed on 16 June 1824, when an animal welfare society was formed to bring about legislation that would help prevent cruelty to farm animals. Interestingly, William Wilberforce, the great campaigner against the slave trade, was amongst that group.

A significant achievement of that society was that it managed to put in place paid inspectors with the authority to inspect slaughterhouses, markets and places where animals worked. There is a large body of legal investigation, most notably by people like Peter Singer and others in the USA in particular and Europe, who are working on the issue of animal rights, underpinning the shift in community sentiment and community awareness about the importance of treating animals properly and investigating notions of what we mean by the rights of animals.

In the current debate about climate change we are talking about the rights of the environment, and that whole question of rights has been expanded and developed. People are thinking about what rights might mean in ways that are unusual. I mentioned William Wilberforce here because I see a connection between that and someone thinking about the rights of slaves, the rights of non-British people and the rights of non-white Europeans in his time. That would have been as curious at that time as maybe thinking about animal rights or environmental rights is now — and they are challenges in those particular jurisdictions.

The present amendments need to be understood against that backdrop. They are a further step along the way to achieving better treatment for animals. A large part of the bill redrafts the current enforcement sections, as I said earlier, of the Prevention of Cruelty to Animals Act and the Domestic (Feral and Nuisance) Animals Act. The sections have been rewritten to rearrange and improve the structure and consistency of those acts, and the amendments will improve the administration of this legislation.

In summary, the amendments provide wider powers of search and seizure, and disposal of animals that were abandoned or neglected. They establish standards for microchip identification of animals to underpin voluntary, permanent identification of horses. They provide for notices to be issued to owners to control the trespassing of animals or their animals trespassing. They create power to impound suspected restricted-breed dogs pending the declaration process and provide for infringement notices to be issued for minor dog attacks and other minor offences. The amendments make it an offence to undertake prohibited procedures on an animal, to use harmful animal traps and to breed animals that have a proven genetic defect that can cause welfare problems in their offspring, and they also provide for an annual licence for accredited rodeos.

I would like to turn briefly to the amendment circulated by Mr Vogels in relation to clause 82 of the bill which relates to difficulties involving dog shows and the tail docking of dogs. The Royal Society for the Prevention of Cruelty to Animals met with Dogs Victoria earlier this year to discuss its concerns over possible introductions to dog shows or events. They worked to identify how this provision can be enforced without causing the effects that Mr Vogels elaborated on. Inspectors have been able to enter shows to investigate tail docked dogs prior to this amendment coming into force, as I presume it will. The amendment simply introduces a further offence for those who fail to comply with the legislation. The offence only applies where the docking is done in non-compliance with the legislation and after the commencement of this amendment to the act. I understand that show attendance and viability should only be affected if large numbers of exhibitors are not complying with the legislative requirements regarding these prohibited procedures after the commencement of the bill and that that is not likely to be the case. We will be opposing Mr Vogels's amendment.

Ms Pennicuik's amendments refer to the traps mentioned in clause 87 of the bill. The issues that she mentions are all important and account needs to be taken of them, but those matters will be dealt with in regulations that will follow the bill and they will only be implemented after extensive consultation. They refer to five main areas, but I will comment on just some of them.

In relation to small and large steel-jawed, spring-operated, leghold traps, under the proposed regulations as exist at the moment the jaws will be laminated; they will be soft jaws; they must be offset and suitable for target species; and they must not be set, used or possessed on Crown land or on land in urban areas that are not predominantly used for agriculture or

on any other land without the consent of the owner. In short, they are intended to be used on agricultural land. These regulations will be an improvement on the present situation, but it is fair to say that to some extent they are a necessary evil.

While no doubt Ms Pennicuik is right when she says that this bill is not creating an animal welfare nirvana, nonetheless it is moving in appreciable and important ways towards making the condition of some of the measures that agricultural people need to make to protect their livelihood and land; it is making that activity which is unpleasant as humane as possible. It is a difficult situation. Nobody wants to be cruel to animals, but on the other hand certain things need to be done in farming contexts.

In relation to nets, bags, containers or body confinement devices, I am advised that the use of these is permitted if unnecessary or unreasonable pain and suffering is not caused. These devices must be inspected on a daily basis, as indeed is the case with the traps, so that the animals that are captured by these traps do not dehydrate. In each of these cases in relation to all these mechanisms to trap animals there are very serious attempts being made to make sure the animals are not unduly harmed. We will not be supporting the amendments that the Greens party has put forward today.

With those comments, I conclude by saying that overall this is positive legislation. It will improve the wellbeing of animals and it will streamline the administration of the implementation of the act. I commend the bill to the house.

Mrs PETROVICH (Northern Victoria) — Mr Vogels proposes to move amendments during the committee stage, including an amendment he alluded to in his contribution to the debate — that is, to delete proposed section 11A(2) in clause 82. I ask that the amendments be circulated.

Opposition amendments circulated by Mrs PETROVICH (Northern Victoria) pursuant to standing orders.

Mrs PETROVICH — As a person who has grown up in rural Victoria and throughout their life has cared for a wide variety of animals, both domestic and agricultural, I feel quite well qualified to speak on this bill. As a member of the Pony Club Association of Victoria, I have spent approximately 32 years of my life educating young pony club members and their families on the safe and proper care of their horses and the safety of young riders. I feel privileged to have been part of the life cycles of many of the animals I have cared for. I have formed fantastic relationships with many of them, which have endured for the lives of those animals. Often the animals have been born in and passed on in my care. In that time I have witnessed unbelievable acts of kindness, but I have also witnessed unbelievable acts of cruelty and neglect by irresponsible and ignorant people.

One case in particular, which I will refer to, involves, I believe, an insane individual whose ambivalent attitude to the care of those animals in her charge caused unimaginable pain and suffering. One case I can relate to involved 32 horses that were in the Kyneton and Kilmore area. Their plight was taken up by a group of people who live in my area and who work as volunteers for a group called Project Hope. In that case the animals were simply left to starve to death because the owner had decided, she said, she was 'getting out of Arabs and into quarter horses'. On that basis I fully support any legislative amendment that strengthens the law regarding the prevention of cruelty to animals.

Having said that, I know firsthand that there is a very distinct difference between good animal husbandry and preservation of breed characteristics. I have an understanding of the depth of commitment, time and money that the majority of registered breeders of livestock and companion animals commit to the wellbeing of their animals and the continuance and preservation and improvement of the breeds in which they seek excellence, whether they be horses, cattle, sheep, dogs, cats, poultry, pigs or goats. Those people who are registered breeders have an enormous commitment to the continuous improvement of those breeds.

On Melbourne Cup Day this year I was lucky enough to attend, as a guest of the committee, the largest all-breed dog show in the Southern Hemisphere at Sunbury, where 2500 dogs were being exhibited. That event was a great opportunity to view firsthand the number of breeds that will be impacted on by this legislation. On that day I witnessed dogs from a number of breeds listed as dangerous dogs. They were beautiful pure-bred dogs that had been carefully bred for type and temperament. One of the breeders of a Doberman, or perhaps it was a Rhodesian ridgeback, made a statement that still rings in my ears, which was, 'Look at the deed, not the breed'. This adage also applies to animal management and the care with which these animals are selected for temperament and also type.

I have received quite a number of submissions from the dog clubs around Victoria, particularly from Dogs Victoria, which has expressed a strong objection to

clause 89. It has caused that organisation a lot of concern. I have had detailed discussions with Ms Deborah Armstrong, who is the president of the Dobermann Club of Victoria and a number of other Doberman breeders who have grave concerns about the reduction in pet stock. People identify the Doberman breed as having a docked tail, and the breeding number of these dogs has been reduced significantly in the two and a half years since a ban on tail docking was introduced. There will be a greatly reduced number of these dogs because breeders are simply not breeding them.

On the issue of testing for named diseases, the breeders associations I have spoken to have selectively bred and tested for a range of congenital defects and diseases. This is all done as part of their continuous improvement to the breed they support. The bill endeavours to support that, which is wonderful, but it misses the mark on a couple of issues relating to what has been termed 'tail docking'. That practice has been outlawed for the last two and a half years, and I will be supporting the amendment based on the issues around the term 'legally docked'. There are a number of issues relating to imported and rare breeds and also shuttle dogs, which spend some time tripping around the world, particularly to support an increased gene pool for rare dog breeds. There is also an issue with dogs that are born with tails of varying length. Examples of that are the Australian shepherd or the schipperke. There is no opportunity at this stage for these dogs to be shown, because we have no identification to say that these dogs have not been docked.

Another issue which relates to the showing of purebred dogs — something we should consider in all of this is that international data shows that 17 per cent of dogs that have been bred to have their tails docked now suffer tail breakages and have to have their tails docked as a result — is that without this classification such dogs cannot be shown. Another example is the Old English sheepdog breed. As I walked around the Sunbury show I saw more and more breeds that will be affected. We should realise that they have been bred to type and have had these operations for a reason. In Australia the Old English sheepdog is in peril of being no longer able to live here. The reason it has its tail docked is because of hygiene and cleanliness. As anyone who handles sheep or other animals with that sort of coat knows, it is a pretty disgusting thing to have an animal that is flyblown. I support those breeders who would have tails of dogs docked legally with a ligature and not in a home operation. That is a disgusting practice, and I am pleased we have outlawed it. There are cases of humans being born with congenital defects such as an extra finger or toe, and we use a ligature to remove those appendages. That can also be done in the case of very small puppies. This may be something we should consider for some breeds.

After talking to the breeders we know now that the breeders breed for type, temperament and confirmation and are certainly looking to provide good-quality animals to the people who purchase them by eradicating those diseases which might cause them some problems. But legislation will not address the issue of puppy farms, where designer puppies are bred and there is no check on temperament and congenital defects. I have seen some pretty disgusting cases where the inbreeding of puppies has caused some very nasty defects, and, unlike the situation with registered breeders, there is no control over that.

Another issue that was raised with me is the issue of debarking. The legislation covers only complete debarking. There are cases where dogs that bark excessively — and some breeds are prone to this — have been partially debarked. This still gives the dog an opportunity to express itself. In many cases where dogs bark excessively partial debarking might even save their lives, particularly dogs that live in built-up areas.

I would like to raise the issue of the registration of horses, which is another area of concern. I do not think there has been much community consultation with the horse-owner groups. I related earlier my association with the Pony Club Association of Victoria. At this stage the registration of horses is not mandatory, but I have concerns about this legislation, because it does not clearly spell out that it is not mandatory. Pony clubs give young people an opportunity to experience horseriding. Many families make great sacrifices to give their children the opportunity to own and ride a pony. Not all these people are wealthy. I have concerns that if we get into the registration and chipping of horses, then it could push the price of the average children's pony out of the reach of the average family.

I have an issue with the ability of council officers to seize and search properties. We need to address the issue of training and management. There has not been enough community consultation. Councils may actually find themselves with a huge management issue when they have to administer this. We need people who have had proper training in this area. I am not saying I do not support the opportunity to go and seize animals and for people to be able to access properties, but we do not need to do this with any haste. We need to make sure we give officers and people the proper training.

I would also like to address an issue raised by Ms Pennicuik from the Greens. This bill does not talk

about rodeos being an illegal activity. It talks about and acknowledges the registration and management of rodeos. It is important to note that rodeos, if they are registered and run properly, are not a cruel activity and that the animals that participate in them are very well looked after. Many rodeo horses and bulls are bred for the purpose and are well fed and well handled. In singing for their supper they are required to work for only a few seconds at a time. When you look at the cinch or flank strap that causes a bull or a horse to buck, it is in a sensitive area sure enough. I would not be comfortable with it if it was tight around my tummy, but it is not going to hurt me. Spurs do not inflict pain if they are used properly. They are a stimulus for sure, but if they are used sensitively they certainly do not cause injuries.

We have to understand that we have a cultural history which relates to our pastoral heritage. It is very easy to lump everyone into the same bag. I would like to acknowledge the skills and partnerships developed by barrel racers, bull-doggers, ropers and campdrafters who love and care for their animals. It would be a great shame to denigrate those skills and the relationships that people have with their animals. In many cases the animals that participate in rodeos would be unsuitable for any other activity and may find themselves being sent to the market.

On that basis I will finish. I do not think there has been enough community consultation on this legislation, and it will cause some worry and hardship to many members of the animal-owning community. The basis of the amendments that we have circulated today will take a lot heat out of that, and I commend them to members.

Ms DARVENIZA (Northern Victoria) — I am very pleased to rise to make a very brief contribution to the debate in support of the Animals Legislation Amendment (Animal Care) Bill. I oppose the amendments put forward by the Liberal Party and the Greens. This bill very much reflects the government's election commitments during the last election campaign, when we said we would increase the penalties associated with cruelty to animals.

I say at the very outset that this bill builds on legislative changes that our government has made in previous parliaments. I will not go through them all again, because Mr Scheffer covered them more than adequately and I know members of the opposition have referred to them in their contributions. We are building on and extending the legislative changes and penalties that we put in place around cruelty to animals and the way animals should be treated.

Mrs Petrovich said she believed there was lack of consultation on this bill. I have to disagree with her, because there has been wide consultation with all stakeholders in the industry, and I will run through them quickly. Consultation has occurred with the Royal Society for the Prevention of Cruelty to Animals, Animals Australia, the Australian Veterinary Association, the Victorian Farmers Federation, the Domestic Animals Management Implementation Committee, the Municipal Association of Victoria, Racing Victoria, the Lost Dogs Home, the Cat Protection Society, the Pet Industry Association of Australia, the Australian Horse Industry Council, the Equine Veterinarians Association, the Equestrian Federation of Australian, the Australian Harness Racing Council, the Australian Welfare Science Centre, private industry pest control trap manufacturers, La Trobe University, Deakin University, Monash University and the Australian Professional Rodeo Association.

Mrs Petrovich — Acting President, I direct your attention to the state of the house.

Quorum formed.

Ms DARVENIZA — I will quickly deal with the amendments and why I am not supporting the amendment moved by the Greens. I oppose the amendment because the government is already using a different method to achieve exactly the same outcome. We are very advanced in this process. Again we have consulted with a wide range of stakeholders such as farmers and animal welfare organisations.

Definitions such as the ones that are being proposed by the Greens will be placed in the regulations. We intend to allow only laminated or soft-jawed traps. The use of steel traps will be prohibited under the intended regulations. Mr Scheffer went into that in some detail.

Referring to the Liberal amendment in relation to tail docking and the exhibiting of animals with docked tails, the provision in the bill is an advance on the government's regulations that prohibit tail docking. There was wide consultation around that, and there was a bit of demonstration from some of the breeders. I have to take up a few points that were made by the previous speaker, Mrs Petrovich, who I know is an animal lover and cares very much for her animals. I have spoken to her on a number of occasions about her horses and dogs. I am a dog lover myself, and we have discussed our respective animals.

The issues that have been raised in objecting to this prohibition include such matters as there being variety in the lengths of dogs' tails. There might well be a

variety of lengths in dogs' tails, but if a tail has been docked, it has been docked. I think we are going to know when a tail has been docked. In relation to the issue of animals being able to travel here to provide breeding stock, I know that is really important in dog and other animal breeding, but in relation to the docking of tails, animals that have had their tails docked can still be used for breeding. It just means that the offspring, the pups, cannot have their tails docked. If the parents have docked tails, they cannot be shown, but it does not prohibit breeding.

As much of this has already been covered, I will not repeat it for its own sake. The amendments in this bill are really going to improve the administration as well as the enforcement of the acts that cover the protection and welfare of animals. We have already gone through the number of acts that are covered by this bill. The majority of the proposed amendments are designed to protect the welfare of animals and to protect our community.

Community standards have changed. There has been a dramatic change over past decades in the way the community regards the treatment and welfare of animals, whether they are domestic animals or livestock that is being bred. This bill is certainly all about that. We are meeting community standards by increasing the penalties for cruelty or mismanagement of animals, regardless of the reason; it does not matter whether it is deliberate or unintentional. If you have an animal, it deserves to be treated well and its welfare needs to be taken care of. If it is treated cruelly, then you will be penalised for it. This bill increases those penalties. We also have very much strengthened the ability of officers to ensure that animals are well kept and well cared for and that the safety of the community is protected. The officers in charge are mainly officers of the council, but there are other officers as well. Their powers to inspect, to question, to apprehend and to take appropriate action have been increased if there is an act of cruelty.

In summary this bill is about providing a whole range of wider powers to search, to seize and to dispose of animals that are abandoned or neglected.

We see such neglect take place from time to time, particularly when people leave properties. They leave animals on the properties without adequate feed or adequate water; they simply abandon them. New owners come to the properties to find themselves with animals in a very distressed state. So this bill increases the relevant powers there. Microchipping has already been talked about in relation to horses. We have seen the changes this government has made in relation to microchipping domestic animals.

The bill provides for a notice to be issued to owners to control their trespassing animals. That concerns animals not properly fenced that go wandering all over the place. There are quite severe penalties — warnings, penalties and then more severe penalties if you continue to allow your animals to trespass.

The bill creates powers to impound animals suspected of belonging to restricted species. It gives local councils the power to go out and seize such animals and impound them if they are suspected to be from a restricted species. It also gives councils time to take the appropriate action and make the appropriate determination.

The bill also provides for infringement notices to be issued for minor dog attacks and other minor offences. It makes it an offence to undertake a prohibited procedure on any animal. It makes it an offence to use or set a non-approved harmful animal trap — and, again, we have talked about that in relation to the amendments. It makes it an offence to breed animals that have proven genetic defects that can have severe consequences for the offspring of such animals. It provides for the annual licensing for accredited rodeo operators. Quite a lot has also been said in relation to that, and this bill certainly does tighten the provisions in that regard.

It also makes arrangements to improve the structure of the enforcement powers of authorities in relation to their capacity to inspect, seize, apprehend and impound animals. It is a very good bill, a bill that deserves the support of everybody in this chamber. In regard to its contents, we went to the electorate prior to the last election and let them know we were intending to increase the penalties in regard to the care and welfare of animals as a means of dealing with people who are cruel to animals and do not take proper note of their welfare. This bill builds on the action this government has already taken in relation to the welfare and good treatment of animals. It deserves the support of all members of the chamber.

Mr KOCH (Western Victoria) — I am very happy to make a contribution to debate on the bill. I have to say in opening that I support the amendments proposed by the Liberal Party, particularly in relation to clause 82 which concerns show dogs. I refute the comments made by Ms Darveniza in relation to consultation concerning this amendment bill having taken place. Like most honourable members, I have received much correspondence on this bill, and a familiar line runs through it all. It says that this bill was brought into the Parliament almost by stealth without the prior consultation or input from interested and affected

parties that normally would happen. That is the expectation of all parties concerned where legislation is involved. I can assure members that these people who have contacted my office have much credit. If they say there was no consultation, quite obviously I would believe consultation was very limited, if it took place at all.

I only want to make a short contribution to this bill. I refer particularly to part 4, clause 77(1)(a) which inserts the definition of prohibited procedure into section 3(1) of the Prevention of Cruelty to Animals Act. In itself that part, which relates to cruelty to animals, refers to animal husbandry and again in this case to the sheep industry, specifically to the grinding of sheep teeth. I will read it to put it on the record. Paragraph (d) says:

> the procedure of grinding, clipping or trimming the teeth of a sheep using an electrical or motorised device, unless the procedure is done by a veterinary practitioner for the purpose of having a therapeutic effect on the sheep —

is a prohibited procedure. I find it quite incredible that the procedure is banned. It is now just being handed over to the veterinary practitioners of the state. I see this as a blatant push by veterinarians, and particularly the Australian Veterinary Association, to dominate and try to encompass this work as part of their role. Without thinking too hard about all of this, and having a background in agriculture and farming for many years, I think the true stewards of animal husbandry are the farmers themselves and the farming communities. There is absolutely no way that veterinary practitioners would even get into this business; they would not do it easily. The cost of it would be prohibitive and quite obviously the practice would discontinue.

It is a practice that has been in the industry for a long time. It is a practice that uses a gag with a motorised grinder, which has assisted greatly in the efficiency and the productivity of teeth grinding. It is a painless operation and it is bloodless. It will be a sad day for the animal health industry as we know it currently if woolgrowers are not offered the opportunity to maintain this practice.

I am also surprised and note with interest that horses have not been included in this legislation. I should imagine that the lobby from both the thoroughbred and horse-loving industries across this state would not tolerate such an encumbrance on them in relation to this matter. Our horse doctors, especially those who attend to the teeth of horses, do a fine job with the means that they have at hand. I strongly believe that livestock owners, particularly sheep producers, should continue to have the opportunity to exercise their rights in relation to the grinding of sheep teeth where it is seen as necessary.

Not all sheep have their teeth ground. I think this bill has been drawn up by people who are not right across the industry. Very little, if any, consultation took place with practising contractors and farmers on this matter. Sheep teeth grinding has taken place more amongst the females in our flocks, particularly in the better lines of wool-growing sheep and of course in crossbred sheep where fat lambs are produced. It offers longevity to breeding stock through the maintenance of better health and better feeding patterns. This is particularly important when we go through periods of high replacement values for both crossbred ewes and merino and wool-producing ewes.

My major concern in relation to this matter is that our sheep industry in many ways is under siege. We have seen that mulesing is to be disallowed from the year 2010. Although this was earlier believed to be quite possible and it was thought that we could arrive at a point where we would in fact be able to phase out the current practice of mulesing, we now see that mulesing practices are being introduced again under the control of the veterinarians.

In the recent elections of Australian Wool Innovation two people put themselves forward in relation to this. The chairman, who had a lot of proxies and talked these people down heavily, was unable to control the vote. Both Mr Olsson and Mr Fletcher, who were in favour of retaining mulesing in its current form until some other method is devised that is acceptable to the industry, were very successful in the ballot. They got up as nos 1 and 2. Although there were three incumbents, only one of them was successful — that was Dr Bell.

Unfortunately if we continue to have an erosion of the undertaking of animal husbandry activities by growers rather than by practising veterinarians, our sheep industry could easily be made unviable in many ways. The issue of sheep teeth grinding illustrates this. Currently farmers who carry out this practice are able to move stock through at a cost of approximately 50 to 60 cents a head — and they can do hundreds a day, I might add. If veterinary practitioners were to undertake this practice, they would not be able to achieve those sorts of numbers and in many cases they could cause injury to themselves, as they do not do a lot of it. This was demonstrated by the member for Benalla in the other place. In his contribution to debate on this bill he indicated that more often than not he was the one who sustained the injury, not the sheep he was attending to.

Where is it going to stop? I think we have lost the opportunity and the argument in relation to mulesing. I see mulesing as one of our most efficient animal husbandry practices. We do not have anywhere near the fly epidemics we used to have in flocks across Australia through the summer period. Many people are concerned about mulesing being completely removed by 2010. They think that Australia will regrettably again fill up with maggot taxis, as the old saying goes. If you want to talk about animal cruelty, that is animal cruelty at its absolute worst.

Another thing that concerns me is that if these sorts of practices continue to be banned by legislation, over a short period of time we will see the restriction of things like foot paring. The feet of animals, especially sheep, often break down in wet conditions, so their feet are pared and they are run through a bath to toughen up their feet. It is quite likely that this practice will be banned unless it is done by a veterinary practitioner. Possibly the worst prospect would be if the castration of male stock and the tail docking of lambs could not take place. Many growers would also be concerned about bans on the dehorning of cattle.

In conclusion, it really concerns me, a lot of growers and a lot of contractors who service those growers that legislation like this is introduced when it will have a major impact on farming communities. I believe very strongly that there is not enough knowledge or experience on the government benches to convey to those who draft the legislation the importance of retaining some of these animal husbandry practices that have been so successfully carried out over the last 40 or 50 years, undoubtedly improving the health of our sheep population. In closing I support the amendments circulated earlier, as I mentioned. Beyond that I will not be opposing the bill.

Mr ELASMAR (Northern Metropolitan) — I rise to speak on and support the Animals Legislation Amendment (Animal Care) Amendment Bill 2007. Most, if not all, of our municipal councils have established programs of animal registration and from time to time have introduced cut-price neutering programs to assist families with high vet bills, but this is still not enough to stem the population growth of abandoned cats and dogs. The increase in feral and domestic pets continues to spiral out of control.

Pet owners who move out of their accommodation and leave their pets behind to starve should be made to face their responsibilities. This amendment allows for council officers to retrieve these poor animals. As the law now stands abandoned animals cannot be taken off private property, and this is not fair to the animals. Unfortunately it seems that the higher penalties approach is now the way to proceed. Local councils are doing a great job, but they need our assistance to be more effective. There are many amendments in this piece of legislation, and all of them are worthy of the support of this house.

A nation may be judged by the way it treats its defenceless companion animals. This legislation seeks to add layers of protection that they, the pets, are entitled to. Some dogs, however, are not so defenceless. Prohibited dog breeds are still being bred and sold in the cities and in the countryside. This has to stop! More and more we hear about young children — toddlers, some of them — who are savagely bitten by these dangerous dog breeds. Sometimes it is the adult owners themselves who become the victims of inbreeding.

There are some cat and dog breeders who are actually encouraging deformities in their pedigree animals. This is supposedly to achieve a so-called certain look they think will win them a ribbon at some cat or dog show, but the cruel truth is that some dogs and cats cannot even breathe properly because their faces are squashed so flat by genetic mutation. Tail docking is also cruel and senseless. These amendments will outlaw such wicked practices. I am glad to see that rodeos are also included in these amendments, as these events are often shockingly cruel to the animals that are put on display for human entertainment.

I totally support the increased penalties for animal cruelty offences, as does the general community. I commend the bill to the house.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Mr VOGELS (Western Victoria) — There are 113 clauses in this bill, and basically the Liberal Party supports 112 of them. I think it is good legislation. As I said, we do not have a problem with most of the clauses but we would like to delete part of clause 82.

Clause agreed to; clauses 2 to 81 agreed to.

Clause 82

The DEPUTY PRESIDENT — Order! I call on Mr Vogels to move his amendment 1, which I understand will test his amendments 2 and 3.

Mr VOGELS (Western Victoria) — I move:

1. Clause 82, line 19, omit "(1)".

The reason The Liberal party wants to delete part of clause 82 concerns the showing of tail docked dogs. Dogs Victoria is concerned, as are the owners of particular breeds who show their dogs. The concern is that unless a dog owner has documents and evidence with them that their dog's tail was docked prior to 2004, which was when it became illegal in Victoria to tail dock dogs, their dog will not have an award ribbon placed around its neck.

We know that tail docking is still happening in Western Australia. Dogs also come from overseas to attend our dog shows. In many countries tail docking is still allowed. Our proposed amendment sends this message that we should not put people who are showing dogs at the moment in double jeopardy. If the government leaves the act as it is, which makes tail docking illegal, in about four or five years time any tail docked dog shown in Victoria will have obviously had its tail docked illegally. Through the fullness of time there will not be any tail docked dogs left to be shown in dog shows. If a tail docked dog were entered in competition at a show, the owner would have to have evidence with them that their dog's tail had been docked overseas or interstate. People involved with dog shows are concerned that there will be inspectors walking around at shows asking people for evidence and saying, 'When was this dog's tail docked?' That is why we are proposing an amendment to delete clause 82.

The DEPUTY PRESIDENT — Order! For the benefit of the committee, Mr Vogels's amendment does not propose the deletion of the entirety of clause 82; it proposes deletion of only part of the clause, as was explained by Mr Vogels.

Ms PENNICUIK (Southern Metropolitan) — The Greens will not be supporting Mr Vogels's amendment, because dogs which have had their tails docked after it was made illegal to do so should not be shown. I believe that people who show dogs at dog shows have all manner of documentation about their dogs that is required for the showing of dogs. It is not onerous for them to have that documentation. It is worthwhile having inspectors to make sure that the law in this respect is complied with. For those reasons we will not be supporting this proposed amendment.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — The government does not support the opposition's amendment. I will make our reason clear. For the benefit of the member, I will say that the Royal Society for the Prevention of Cruelty to Animals and Dogs Victoria have met to discuss the concerns of Dogs Victoria about possible interruptions to shows or events and to identify how the new provision could be enforced without causing such effects. Further liaison has been proposed between these groups and the Department of Primary Industries to further look at the issue. Inspectors were able to enter shows to investigate tail docked dogs prior to the introduction of this amendment bill. The new section simply introduces a further offence for those who fail to comply with the legislation.

The offence applies only where the docking is done in non-compliance with the legislation and after the commencement of this amendment of the act. Show attendance and viability should be affected only if large numbers of exhibitors are not complying with legislative requirements regarding prohibited procedures after the commencement of the legislation. We do not believe that will be the case. For those reasons, we cannot support the amendment.

Committee divided on amendment:

Ayes, 16

Atkinson, Mr	Koch, Mr
Dalla-Riva, Mr (*Teller*)	Kronberg, Mrs
Davis, Mr D.	Lovell, Ms
Davis, Mr P.	O'Donohue, Mr
Finn, Mr	Petrovich, Mrs (*Teller*)
Guy, Mr	Peulich, Mrs
Hall, Mr	Rich-Phillips, Mr
Kavanagh, Mr	Vogels, Mr

Noes, 21

Barber, Mr	Pakula, Mr
Broad, Ms	Pennicuik, Ms
Darveniza, Ms	Pulford, Ms
Eideh, Mr	Scheffer, Mr
Elasmar, Mr	Somyurek, Mr (*Teller*)
Hartland, Ms (*Teller*)	Tee, Mr
Jennings, Mr	Theophanous, Mr
Leane, Mr	Thornley, Mr
Lenders, Mr	Tierney, Ms
Madden, Mr	Viney, Mr
Mikakos, Ms	

Pair

Coote, Mrs	Smith, Mr

Amendment negatived.

Clause 77 recommitted.

The DEPUTY PRESIDENT — Order! I am advised that Mr Koch has a question in regard to clause 77, which is a clause that has already been passed as standing part of the bill. I understand that he does not wish to alter the status of that clause or the context of the bill, but he has a question on that clause.

Do I have leave of the house to allow Mr Koch to ask that question on clause 77? Leave is granted.

I indicate to members that I specifically ask when the committee is dealing with block of clauses if there are any contributions on clauses within those blocks. I hope members will address those clauses at that time so that we do not have procedural hiccups.

Mr KOCH (Western Victoria) — Thank you, Deputy President, for your consideration in relation to this matter. The only question I want to pose to the minister is: is there any specific reason that the sheep industry has been singled out in relation to the mechanical grinding of teeth? I ask this question because we note that the equine industry still has the opportunity of undertaking teeth grinding and there is certainly no necessity for the involvement of a veterinary practitioner.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — The answer that I have been provided with is that this bill seeks to address the issue with respect to sheep. A considerable amount of consultation is taking place with respect to horses and other animals, but it is not addressed in this particular legislation as that consultation is still occurring.

Mr KOCH (Western Victoria) — I thank the minister for his response. I bring the matter before the Chair because many contractors in regional Victoria believe they have been singled out. I am interested to learn that in relation to the equine industry we might yet hear more about teeth trimming.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I understand this addresses an activity and makes it illegal. In that sense it is addressing one aspect. I understand why some people might think sheep are being singled out, but in response to the member I simply reiterate that consultations about how this can be addressed with respect to animals other than sheep are taking place with other parts of the industry as well. That is not to say it should not be addressed with respect to sheep, and that is what the bill does.

Mr KOCH (Western Victoria) — I wish and hope greater consultation will be undertaken with the equine industry than was undertaken with contractors and others involved in the sheep industry, where in actual fact very little consultation in relation to this matter was undertaken.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I will pass Mr Koch's comments on to the minister.

The DEPUTY PRESIDENT — Order! Clause 77 already stands part of the bill by resolution of this committee.

Clause 82 agreed to; clauses 83 to 86 agreed to.

Clause 87

The DEPUTY PRESIDENT — Order!
Ms Pennicuik has amendment 1 standing in her name, which is a test for her further amendment 2.

Ms PENNICUIK (Southern Metropolitan) — I move:

1. Clause 87, page 70, line 2, omit "A" and insert "Subject to subsection (3), a".

This amendment, together with proposed amendment 2, would prohibit the use of a steel-jawed trap in any part of Victoria, with a penalty of 240 penalty units or two years imprisonment in the case of a natural person, or a penalty of 1200 penalty units in the case of a body corporate. Amendment 2 provides that a steel-jawed trap means:

> a trap that has jaws that are made of steel, iron or other metal, which are designed to spring together and trap an animal when a leg or other part of the animal's body comes into contact with, or is placed between, the jaws, but does not include a soft-jawed trap (that is, a trap with steel jaws that are offset and padded).

That amendment, as I said in my contribution in the second-reading debate, mirrors the provision in section 23 of the New South Wales Prevention of Cruelty to Animals Act, which prohibits the use of steel-jawed traps. I made mention of the terrible injury, pain and suffering that the use of those traps has on the target animals and also on any other animals that happen to stray into them, including some of our native fauna.

I made the point in my contribution that there are more humane traps, if we must use traps — and that is even another argument — but the argument here is about which type of trap. The Victorian regulations as they currently stand do not make any mention of padded traps which are in use in New South Wales and other states of Australia. All that the regulations in Victoria do is describe a small trap as having a hinge of not more than 12 centimetres and a large trap as having a hinge of not less than 12 centimetres — that is, more or less than 12 centimetres is the difference between a large and a small trap. I ask the minister to explain the mention in contributions by government members of proposed regulations regarding the use of different types of traps.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I understand the argument that is being put by the member about her concern in relation to steel-jawed traps and the impact they can have on animals. I understand the intention behind the amendment moved, but the government does not believe it is necessary as the issues that the Greens are raising can be addressed by way of the regulation capability that is present in the legislation already.

For example, the Greens amendment will remove our ability to set areas in which large leghold traps can be used. These are defined in the regulations as soft-jawed or offset traps, not steel-jawed traps. The Greens amendment will remove our ability to set areas where leghold traps can be used and allow the use of laminated or offset traps of any size anywhere in Victoria. I think this amendment would remove our ability to prescribe other sorts of traps, such as kill traps and snares, as is currently proposed.

A similar kind of definition to that proposed by the Greens will be able to be addressed through regulations in any case, but in a more detailed way, to allow only the laminated or soft-jawed traps and to address the issues that Ms Pennicuik is raising in relation to steel-jawed traps.

Mr HALL (Eastern Victoria) — The Nationals do not support this amendment, and I want to explain our two reasons for not supporting it. First of all, we all know the use of steel-jawed traps evokes a fairly passionate view by members of our community, and we would not be comfortable with the Parliament deciding on this issue without at least some community debate about it. I do not think it is appropriate that the Parliament support such a change when there are many people out there in the community who have a passionate view about the matter.

The second reason we would not support it — and I understand what Ms Pennicuik was arguing about the cruelty that steel-jawed traps impose upon those animals caught in the trap — is that from my understanding, steel-jawed traps are predominantly used for the trapping of wild dogs in Victoria. That is their predominant use, and when we are talking about cruelty to animals, I cannot help but reflect on and think about the cruelty that wild dogs inflict upon a whole lot of other animals, including native animals, in parts of Victoria, but particularly the harm they inflict on sheep and, to a lesser extent, cattle. If anybody were to see a wild dog attack and its impact on a flock of sheep, you could not help but be abhorred by that scene.

In terms of the wild dog problem we have in Victoria, wild dogs being the prime target for the use of steel-jawed traps, I say we need more action, not less, and we need as many weapons as possible to fight that problem. From The Nationals point of view the continued use of steel-jawed traps is but one weapon we can use to attack and counter what is a significant problem in Victoria — wild dogs. For those two reasons we are not prepared to support this amendment.

Ms PENNICUIK (Southern Metropolitan) — First of all I would like to address what the minister said. The amendment I am putting forward is designed to do exactly what it says, which is to prohibit the use of steel-jawed traps that are not padded. That is the whole purpose of the amendment. The comments the minister made do not necessarily convince me that we are on the wrong track here. As I mentioned, in New South Wales they are prohibited. What I am saying is that, if we must use traps, we should use the ones that cause the least pain, stress and injury to animals.

I take up Mr Hall's point that wild dogs cause pain and suffering to sheep, but that does not mean they should be punished by having pain and suffering inflicted upon them. If they must be trapped, they should be trapped in the most humane way possible. This is what Australia's leading jurisdiction can do. There are people who are passionate about making sure that animals are not treated cruelly and have pain and suffering inflicted upon them, and I am one of them. Many people in the community are of the same view. If there is a humane way to trap an animal, we should choose that more humane way. If an animal has caused pain and suffering to another animal, that does not justify inflicting the same upon the wild dog or whatever other animal happens to be caught in one of these traps. I commend our amendment to the house.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — The government cannot accept the amendment for reasons already stated, including those put forward Mr Hall.

The Greens are making a point about this bill being humane. Obviously the government and anyone else in the community would prefer the most humane way of addressing this issue; however, there are two words that should be used — one is 'humane' and the other is 'effective'. We want effective eradication of some of the problems that are occurring.

The best way to deal with this is to allow the experts to work out what is the most effective and humane technology to use in the circumstances in order to address the problems, rather than Parliament trying to

dictate it. I must confess that I have a limited knowledge about the types of traps that are being used — about which are humane and which are not and which are steel-jawed and which are made of a softer material. These are matters of detail which should be left to the experts to decide, and they should do so through regulation. The expression of the Parliament that our objective is to have the most effective outcome and the most humane methods will be taken on board in the formation of those regulations.

Mr VOGELS (Western Victoria) — The Liberal Party also opposes this amendment. If anyone has seen the damage that wild dogs can and do cause, especially in north-eastern Victoria, they would know that there has to be a way in which we can trap these animals. At the moment the only way that is viable is the steel-jawed trap. If we come up with something better in the future, as the minister has said, we can look at introducing it through regulation or in another way, but at the moment the steel-jawed trap is used by people to try to control our wild dog epidemic. It is not only sheep and cattle that suffer. You can imagine the number of native animals these dogs kill with no mercy at all. They rip them to shreds. We have to have traps in place to stop this scourge in country Victoria. We do not support the amendment.

Ms PENNICUIK (Southern Metropolitan) — I say again to members that the fact that one animal might cause pain and suffering to another does not mean we should inflict pain and suffering upon that animal. I go to the minister's comments about putting some provisions in the regulations about padded traps. That would be a good thing. That would be better than nothing, but it is not enough. If we have had the leading jurisdiction come to the conclusion that steel-jawed traps that are not padded should be outlawed and penalties should apply to their use— I presume it has looked at the evidence and consulted — then we should do the same.

I ask the minister whether in drawing up this bill the government looked at what goes on around the rest of the country. Did it look at the New South Wales act, for example? Because there is no real reason why there should be more inhumane treatment in one state than in another.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — We have looked at legislation right across the country, and we have come to the conclusion that the best way to deal with this is by allowing experts in specific circumstances to deal with it, bearing in mind the technology that is available, to make regulations as appropriate and to address the issues of the most humane methods through that mechanism. That is how we have decided to do it in Victoria.

Mrs PETROVICH (Northern Victoria) — I raise just one issue for the minister's consideration — that is, steel traps are used in addressing the issue of predators such as wild dogs, foxes and other feral animals. After bushfires, those animals then move into the big, open, cleared areas and species that are endangered, such as long-footed wallabies and potoroos, need the protection offered by the catching of these feral animals using traps. Until an alternative is devised, we need to support this practice for our wildlife's sake.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I agree with the comments Mrs Petrovich has made. I think the vote will show that is the prevailing view of this committee.

Committee divided on amendment:

Ayes, 3

Barber, Mr (*Teller*)	Pennicuik, Ms (*Teller*)
Hartland, Ms	

Noes, 35

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

Amendment negatived.

Clause agreed to; clauses 88 to 113 agreed to; schedules 1 and 2 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I move:

That the bill be now read a third time.

In so doing I thank members for their contribution to both the second-reading debate and in the committee stage.

Motion agreed to.

Read third time.

AGENT-GENERAL AND COMMISSIONERS FOR VICTORIA BILL

Second reading

Debate resumed from 1 November; motion of Mr LENDERS (Treasurer).

Mr P. DAVIS (Eastern Victoria) — I rise to speak on the Agent-General and Commissioners for Victoria Bill. By way of introduction I make the observation that this bill is, in effect, a symbol by the government which does not make any substantial legislative change but which the government claims represents the implementation of a review of the Victorian government's international network as undertaken by David Buckingham, the Victorian agent-general.

The bill creates a new class of statutory office-holders, who will now be known as commissioners. In effect it repeals the existing Agent-General's Act 1994 and replaces it with a new act. The material change is the creation of the new statutory office-holders.

The bill implements but 1 of 43 recommendations of the review to which I have referred and makes some other minor but contemporary changes to the way the act operates, which is more about language than substance. I think it is fair to say that, other than a change in the title of the Victorian commissioners, who were formerly known as executive directors, the legislation makes no material change to their role and how they function. The role of the Victorian overseas commissioners and how they function will be changed through altered benchmarks and job descriptions in the policy procedures, as is recommended in the Buckingham report.

Some of the bill's key measures include that it provides for the terms and conditions upon which the commissioners may be appointed and the circumstances in which a commissioner ceases to hold office; it sets out the circumstances in which the Governor in Council may appoint and/or terminate an acting commissioner; it requires commissioners to submit to the minister an annual report an the performance of his or her functions and the carrying out of his or her duties; and it enables staff to be employed for the purposes of the bill under part 3 of the Public Administration Act 2004.

I make the observation that the opposition will support the bill, but we see the need to make an amendment, which I will come to in some detail later. Given that the bill proposes that commissioners must submit an annual report to the minister, we believe that the open-ended nature of the provision, which allows the government to appoint as many commissioners as it deems appropriate, creates the potential for Victoria to end up with as big a diplomatic service as that of the commonwealth of Australia, but without proper accountability.

Therefore we are proposing an amendment, which will be circulated in due course, that the annual reports referred to in the bill as being required to be provided to the minister must be tabled in the Parliament. The purpose in our moving this amendment is to ensure that there is some form of accountability and that there is, in a sense, a brake on the capacity of government to appoint persons to these significant positions to represent Victoria's commercial interests overseas.

I think it is fair to say that the report of the Buckingham review — which is formally titled *Review of the Victorian Government's International Network* and is dated May 2007 — was a bit late in coming. The report was long overdue; it was not made available until 9 October. According to page 4 of the report, it is an edited version of the review. Even though the report was many months late in being tabled and made available to the public, it is actually an edited version. The issue for the Parliament is what was omitted. An abridged and edited report upon which the government is basing significant policy decisions, and introducing legislation to support those policy decisions, should contain all of the information necessary for the Parliament to consider the merits or otherwise of the case.

It is clear that the report omits a cost-benefit analysis, or indeed an economic analysis, of the benefits derived from the Victorian government business office network. Without that information it is difficult for the Parliament to objectively form a view about how well Victorian taxpayers funds are being used. It is a reflection of this government's generally secretive nature that this information is not available. There is not the transparency that I believe there ought be in terms of a proper assessment to allow the Parliament to consider whether or not the benefits arising from the investment — the approximately $30 million a year investment — in these overseas offices warrants that continued commitment. Certainly it begs the question as to the benefit arising from this bill.

In my view it is clear that the author of the report, David Buckingham, who is Victoria's agent-general, has a conflict of interest. You could hardly say he would be an independent observer of the performance of Victoria's trade and investment offices. I use that phrase interchangeably with Victorian government business offices, as they are referred to interchangeably depending on who uses the style. The style of the term is unimportant; what is important is that Victoria is represented in a number of markets by both trade and investment officers or indeed tourism officers. We have a range of networks which are covered in the detail of the Buckingham review. But there is clearly a conflict, and I think for that reason we have to be a little careful in accepting at face value the report that has been made available by David Buckingham.

I say there should be transparency in all things relating to legislation. While the report praises the important work of Victorian government business offices and Tourism Victoria offices, it recommends, among other things, that the network be maintained, perhaps with some minor changes. However, it is clear that we need to have an independent review — that is, one that is at arm's length from government and the people who manage those offices. Given the cost of maintaining the Victorian government business office network and the high level of importance the government attaches to it, it would be interesting to consider what the Auditor-General would have to say about these offices. I might turn to that shortly.

The Buckingham review assessed the 11 Victorian government business offices and 7 Tourism Victoria offices in overseas locations. As is noted in the report, the floating of the Australian dollar, the ongoing dismantling of Australia's tariff barriers and the rapidly emerging domestic economies of resource-rich Queensland and Western Australia, as well as strong regional economies, have placed Victoria in a difficult, competitive domestic and international market. I think it is therefore important to note that while we think it would be reasonable for such a review to propose a strategic framework around the activities of such offices, it is useful to note that in the report the recommendation was that the government must implement that strategic framework to strengthen Victoria's international business engagement by establishing the following goals.

I am quoting here from the *Review of the Victorian Government's International Network*, dated May 2007, by David Buckingham, at page 9:

> … enhance international supply chains and increase access for Victorian business to export market opportunities and productive resources overseas, particularly in emerging market areas;
>
> promote Victoria internationally as a world-class investment location;
>
> promote Victoria internationally as a world-class tourism destination;
>
> improve international network opportunities for Victorian business and educational and cultural organisations; and
>
> create awareness of Victoria and distinguish Victoria …

The point I make and my observation is that it is extraordinary that such a framework does not already exist. Indeed it is even more extraordinary to think that the government's Business Victoria website still describes the Victorian Government Business Office (VGBO) network in the following terms:

> To assist foreign businesses expand into Victoria and Victorian businesses to expand overseas …

It is an extraordinarily limited vision for the VGBO network.

The recommendations of the Buckingham review are commendable, but the question must be asked, 'What is the VGBO network benefit to Victoria, both financially and in terms of the impact on the economy?'. Regrettably, we are no wiser after reading the Buckingham review. What we do know, however, about Victoria's trade performance is the following. Victoria's exports grew substantially throughout the life of the Kennett government, peaking shortly after the change of government in 2001–02 at $30.5 billion. However, this figure fell by more than $3 billion in the following two years, as the Bracks government began to reverse these gains, to level out at $27.2 billion in 2003–04.

Since then the state's exports have made a moderate recovery to reach $29.07 billion. What is particularly concerning is the fact that Victoria is currently exporting a smaller share of the gross state product than it did five years ago.

Hon. T. C. Theophanous — How much?

Mr P. DAVIS — I am sure that the interjection that I heard from the minister across the chamber will be followed by a succinct and erudite contribution to this debate in due course because I have no doubt that the minister will be seeking to put the proposition that under his watch, albeit brief as it is, things are on the mend, because he is undoing the damage that was done by his predecessor in this area of responsibility. But I will be looking forward to hearing that observation

from the minister after he has listened to my contribution.

I continue as I was, making the case that the state's overall propensity to export as measured by the total export-to-GSP ratio has also fallen from 17.4 per cent in 2000–01 to 12.5 per cent in 2005–06. It is clear that the broad composition of Victoria's exports has also changed with the share of merchandise exports to total exports falling from 75 per cent to 65 per cent while the share of services rose from 25 to 35 per cent. Victoria's services sector has become increasingly export orientated, reflecting the ability of many services to be traded as a result of market liberalisation and technological change.

Of concern is that Victoria has not kept pace with the same level-of-services growth as experienced by the rest of the developed world. Between 2000–01 and 2005–06 world export services grew by 10 per cent per annum, well ahead of the 6 per cent per annum average experienced in Victoria. I am sure the minister will be delighted to confirm those figures.

There is strong evidence, as a result therefore, that there is some lack of confidence in the state government's ability to manage the economy. Indeed that is supported by the actual data, which shows that the number of companies leaving Victoria or failing to invest is increasing. Since 1999 Victoria has seen 200 companies close, sharply cut their workforce or leave Victoria altogether. Fifty thousand jobs were lost, and as a result Victoria has lost 21 000 jobs in manufacturing alone since the 2002 state election.

Hon. T. C. Theophanous interjected.

Mr P. DAVIS — If Mr Theophanous, the minister, does not agree with these figures, I would like him to quote a reference that would dispute them, and I will be delighted to listen to his contribution.

Business investment growth was a weak 0.5 per cent in Victoria over the last year, while nationally it grew 6.5 per cent. Our share of new national business capital investment reached its lowest levels for decades between 2005 and 2006. So there are some concerning indicators in terms of the Victorian economy, and I will be looking forward to the minister setting out his vision as to how he is going to turn around the damage done by the predecessor in this portfolio.

Hon. T. C. Theophanous — The Kennett government, you mean!

Mr P. DAVIS — No, the predecessor — the minister who had responsibility for this prime economic portfolio before you did, Minister.

These are not flattering figures, so the question arises again: is the VGBO network making financial gains for the state; therefore, is it worth maintaining? As the minister flees from the chamber because he is embarrassed by the lack of capacity to be able to respond to the data that I have put before the house, I will continue to make the point that there is little information about a net benefit in maintaining Victoria's international office network.

I am not making a case that it should be dismantled. I am arguing, in effect, that notwithstanding the Buckingham review, the claims made in that review and the assertions made by the government in terms of its press releases and commentary at large — and I am sure the commentary that we will hear subsequently during the course of this debate from the government side — the fact is a case has not been made notwithstanding there has been a substantial review of the VGBO network this year.

This is also an observation that has been made by others. The latest Victorian Auditor-General's report released last month entitled *Parliamentary Appropriations — Output Measures* makes numerous observations to the effect that the government has to improve its reporting on the net benefits of its export programs which has implications for the VGBO network; I am referring to page 17.

The Auditor-General's report suggests that the government implement the following recommendations: provide more detailed explanations of significant material variations between output performance and published targets; and provide assurance over the completeness and accuracy of the output performance data, including independent validation of information management systems and associated controls.

The report noted that there was a need to improve the quality of information contained in the state budget papers, and the Auditor-General noted:

> For example, that DIIRD's —

Department of Innovation, Industry and Regional Development —

> 'Exports facilitated and imports replaced' output measure has three discrete components that make up its $689 million target for 2006–07. One component relates to import replacement and the other two relate to export facilitation. The explanatory notes do not explain the three components.

This is a particularly pertinent observation of the VGBO where confusion abounds as to the net gain of maintaining these offices at great expense to the Victorian taxpayer.

The Auditor-General also noted that it would be worthwhile for the DIIRD to develop a benefits index for the VGBO network for both outputs and the economic benefits.

The minister, who has fled the chamber, has claimed in this house that the network is responsible for attracting $8.7 billion into the state, but we do not know over what period, we do not know where the figure came from and how it can be substantiated, and, if this is accurate, what is the net gain of keeping the offices operational against the cost of maintaining them or, indeed, dismantling them.

The Buckingham review makes commendable recommendations about revamping VGBOs sand Tourism Victoria offices but the bill does not go anywhere in terms of dealing with these issues, notwithstanding the claims of the government that the bill implements the Buckingham review recommendations.

We are concerned about the relevance of and the outcomes and gains provided by the operation of overseas offices. In line with the Auditor-General's observation, the opposition will therefore propose an amendment, which I flagged earlier. The bill requires each commissioner to submit an annual report to the minister. The amendment will propose that that annual report be tabled in Parliament. This will allow for greater public scrutiny of the role, function and efficacy of the Victorian international office business network, and therefore justify maintaining the network at large.

Opposition amendment circulated by Mr P DAVIS (Eastern Victoria) pursuant to standing orders.

Mr P. DAVIS — I will just flag the import of the amendment so that others can discuss it during this second-reading debate. That may save some time later in the committee stage. The amendment says that the minister must cause each report submitted under subsection (1) of the bill to be included in the relevant annual report of operations of the Department of Innovation, Industry and Regional Development under part 7 of the Financial Management Act 1994. That in effect means that the reports on the performance of each of the commissioners, which the government proposes in this bill would be provided to the minister on the performance of each of the commissioners, would not just be a report to the minister but a report to the Parliament via the mechanism of the department's annual report.

We think that this is a fair and transparent way of ensuring that this network of international representatives, who are possibly to be created as statutory office-holders under this act, can be made more accountable, and that we can ensure, given the inevitability over time of government expanding these sorts of posts, that there will be proper, long-term scrutiny of them. It is simply a transparency measure and, I think, a reasonable one, given the cost to the state of Victoria of maintaining these overseas offices.

I will reserve further comments for the committee stage, but I say in conclusion that although the Liberal Party will support the bill, it believes strongly there should be a high level of transparency as to the function, performance, role and cost of the overseas offices. I think that is a reasonable position to put, and I will be looking forward to the government's response.

Sitting suspended 12.58 p.m. until 2.03 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Crib Point: bitumen plant

Mr RICH-PHILLIPS (South Eastern Metropolitan) — My question is to the Treasurer representing the Premier. Will the Treasurer assure the house that the government will honour all of its 2006 election promises?

Mr LENDERS (Treasurer) — Yes.

Supplementary question

Mr RICH-PHILLIPS (South Eastern Metropolitan) — On 20 November the Minister for Planning indicated that as Rosy Buchanan was defeated as the member for Hastings the government's commitment not to allow a bitumen plant at Crib Point no longer mattered. Will the Treasurer assure the house that those comments by the Minister for Planning do not reflect the government's intentions?

Mr LENDERS (Treasurer) — I have answered the question.

Information and communications technology: cybercrime laboratory

Mr SOMYUREK (South Eastern Metropolitan) — My question is to the Minister for Information and Communication Technology. Can the minister inform the house how the Victorian government is helping to fight cybercrime?

Hon. T. C. THEOPHANOUS (Minister for Information and Communication Technology) — I thank the member for his question. At lunchtime today I launched the new Microsoft Malware Protection Center lab. It was a bit of a rush getting down there, but I was very pleased to be able to do it, because it is an important part of our dealing with what is increasingly becoming an insidious problem within our community. Some estimates have put the cost of cyber fraud as being upwards of not billions but even more than a trillion dollars to the world economy.

The incidence of cyber fraud is increasing exponentially. One estimate I looked at shows the number of attempts at cyber fraud detected by one company to be 212 000 in the last six months, which is a third of the total number since 2002, and that was. The incidence is increasing dramatically, and there are new techniques being used all the time to effect cyber fraud. Do not be fooled — cyber fraud is a cost to the economy and a cost to individuals. The new techniques — things like Trojan horses, which seem to have replaced the use of worms to try to infect various systems — are capable of inflicting a great deal of damage to the point where it is possible these days for the identity of an individual to be stolen from them in extreme circumstances. That is the problem we have to try to solve. For instance, it is having an effect in the banking sector, where commercial decisions are being made and where confidence in internet banking absolutely relies on people being assured that their banking details and other information will not be tampered with.

I was proud to launch this new facility by Microsoft. It is one of only three such facilities to be established outside the United States of America. Microsoft chose Melbourne specifically because to fight this kind of fraud you have to have a policy called Follow the Sun, where in effect you have 24-hour coverage around the globe so you can be in touch with specific things and on an ongoing basis trace attempts at internet fraud as it occurs at the moment it occurs. When Microsoft was looking for a location in this time zone obviously it had the capacity to go to a variety of different places. The fact that it chose Melbourne shows that Melbourne is increasingly being considered as a centre of information and communications technology (ICT) for the Asia-Pacific region. It is a centre where high-level research and activity of this type can take place.

As I said, the facility is the only one in the Southern Hemisphere that is designed to tackle this kind of crime. I might say that the people who used to think that this crime is about individual hackers or some kids playing around with their computers have absolutely got it wrong. We have organised crime syndicates involved in massive levels of fraud. In fact the Pentagon recently indicated that it gets 2 million attempts per day to get into its systems from outside. The Pentagon might be able to defend itself, but the rest of us may not be in the same category.

Mr Jennings — We hope so.

Hon. T. C. THEOPHANOUS — We do hope so, but the rest of us may not be in the same category. Multimedia Victoria is looking at establishing a specific doctor of philosophy in e-security program to be associated with this facility. That initiative, alongside the Microsoft decision, will elevate the importance of this even more and may help us to encourage young people to recognise that a career in IT is worth having, is exciting and can lead to very high levels of satisfaction and salary in the future. This is an important initiative. We welcome the decision by Microsoft to establish the facility here in Victoria. It is part of an ongoing strategy to build a secure and strong IT industry in this state.

Growth Areas Authority: business plan

Mr GUY (Northern Metropolitan) — My question is to the Minister for Planning. Will the minister inform the house why the $20 million Growth Areas Authority has not published a copy of its current business plan as required by law?

Hon. J. M. MADDEN (Minister for Planning) — I welcome Mr Guy's question in relation to the Growth Areas Authority. I know there is a degree of cynicism on Mr Guy's part about the role of the Growth Areas Authority, but the authority has been instrumental in ensuring that we have a complementary and facilitative role in relation to what local government does with land release. That gives us some of the best land release practices across the country. That is complemented by industries and stakeholders like of the Housing Industry Association, which says we have some of the best land release practices in Australia.

The Growth Areas Authority continues to do an extremely good job in facilitating and bringing together

the players that have an instrumental role in land release. They are not only the planning authorities; they are also the referral authorities, particularly those that might have to provide some of the services that align with any development, any land release and any provision of land in the growth areas. They do a very significant job that facilitates a very positive result. We stand by the fact that rather than use strongarm tactics to get land release, we use facilitative, consultative and collaborative mechanisms by which to ensure land release.

In relation to any of the documents which the Growth Areas Authority releases in terms of its accountability, the authority reports to me, it reports to the department and it reports publicly, and I am happy to ensure that that continues to be the case.

Supplementary question

Mr GUY (Northern Metropolitan) — I thank the minister for his answer. As a supplementary I ask: can the minister confirm that the $20 million Growth Areas Authority has not published its current business plan because after 14 months it has not produced one because it has not done a thing?

Hon. J. M. MADDEN (Minister for Planning) — I welcome Mr Guy's supplementary question. I know that the tone of both his question and his supplementary question hints at scepticism or cynicism in relation to the Growth Areas Authority. That is a continual theme of the questions I receive from Mr Guy. I am always happy to answer his questions, and I am also happy to continue to answer questions in relation to the Growth Areas Authority. It is one thing to be an armchair critic — a sceptical armchair critic — and I am always happy to have Mr Guy ask me questions in relation to these matters — —

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! Mr Viney, thank you — —

Hon. J. M. MADDEN — I am always happy to have Mr Guy ask me questions — —

The DEPUTY PRESIDENT — Order! David Davis might also be more circumspect — —

Hon. J. M. MADDEN — And I am always happy to answer them.

The DEPUTY PRESIDENT — Order! The minister, if I am talking, should allow me to finish. The minister, to continue.

Hon. J. M. MADDEN — Thank you, Deputy President, and I apologise for interrupting. We have fundamental policies in relation to planning, land release, collaboration and ensuring that we provide opportunity for new developments in growth areas. We have a very substantial policy. Mr Guy may be cynical and sceptical about policy, but I can understand why he might be, because he does not have a policy.

I certainly acknowledge that there is always more to be done. There is always more we can do, and we will do it. I will be happy to provide information, and to continue to provide information, to this chamber as to our doing more where we can do more in relation to housing affordability and providing opportunities for individuals right across Victoria to settle in Victoria and in relation to ensuring that we make Victoria even more livable. But I am also very eager to continue to develop and provide policy through this government and to report on that policy to the chamber. I suspect Mr Guy could well take the advice of Senator Judith Troeth and, rather than arguing and continuing to be sceptical and cynical not only to us but also to his own side, develop some policy and provide it to the chamber.

The DEPUTY PRESIDENT — Order! I advise the minister that towards the end of his answer he sailed desperately close to breaching some of the rulings given by the President. He should be more careful about that in future.

Information and communications technology: investment

Ms DARVENIZA (Northern Victoria) — My question is to the Minister for Information and Communication Technology. Mr Theophanous. Can the minister provide an example of what the Victorian government is doing to promote local talent and growth in the Victorian information and communications technology sector?

Hon. T. C. THEOPHANOUS (Minister for Information and Communication Technology) — I thank Ms Darveniza for her question. The thing about developing an industry — and the information and communications technology industry is one of the industries that I look after — is that you cannot do it unless you work with all the players and businesses themselves in helping them to grow. That means working with the smaller businesses as well as the larger businesses. I will mention two in response to the question by Ms Darveniza.

One such business is a small company — eB2Bcom — that has been able to identify a niche market and, with

the assistance of the government, has moved forward. I visited eB2Bcom last week to open its new global head office, which is located in Kew. This company started from very small beginnings. It started because the owners had a vision that they could provide a service. They developed a platform called View500, which allows staff directory solutions — fast, scalable and flexible identity management and infrastructure solutions.

This platform has now been taken up by Bayside Health and by a variety of government offices as well. We assisted this company through trade missions, which is one of the activities my department runs. We assisted them in travelling overseas and identifying markets overseas.

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! I want to facilitate Mr Finn and Mr Leane having an opportunity to leave the chamber to continue their discussion if they wish to. Otherwise I ask them to allow the minister to talk without the cross-chamber interjections that have absolutely nothing to do with proceedings.

Hon. T. C. THEOPHANOUS — This company has been able to get contracts with the Singaporean government, and it is rapidly expanding in this IT space. It is an example of how government, working together with business, is able to get an outcome of this sort.

The other company I wanted to mention is NEC Australia. NEC Australia is a huge success story in Victoria. It has 1300 employees Australia wide; 800 are in Victoria and 400 of those are top-end, highly skilled research and development engineers. You do not get that kind of capability unless you have educational institutions and other areas that are able to provide those skilled individuals to such companies. I was very pleased to be able to be there for the opening of NEC's new next-generation broadband research and development facility, which is the only one of its kind outside Japan and which that is conducting 3G mobile and digital subscriber loop research and development.

Again, this shows how Victoria is positioning itself at the high end of the IT space so it will be able to deliver these kinds of niche areas where there is a lot of intellectual capital involved and a lot of internet providers involved. It means that our highly skilled people are being sought after. But more than that, it means that companies like Microsoft, NEC and eB2Bcom are establishing themselves in Victoria and that Victoria is establishing itself as an IT centre in the Asia-Pacific region.

Minister for Environment and Climate Change: Beechworth accommodation

Mrs COOTE (Southern Metropolitan) — My question is to the Minister for Environment and Climate Change. Why has the minister failed to pay for the Beechworth accommodation that was booked for him and two staff for the recent cabinet meeting?

Mr JENNINGS (Minister for Environment and Climate Change) — I indicate to the member that I am not entirely clear as I stand in this chamber as to the administrative arrangements in relation to the payment of that bill — when it was paid and who was authorised to make the payments on my behalf or my staff's behalf. I would be very interested to know if in fact that bill has not been settled. Quite frankly I am flabbergasted that anyone would suggest that it has not been. I will make sure that that situation is remedied, if that needs to be the case.

Supplementary question

Mrs COOTE (Southern Metropolitan) — The minister will then be very interested in this email, which reads:

> As you know, on Tuesday, 13 November, a community cabinet meeting was held in Beechworth.
>
> About two or three weeks before the 13th I received a phone call from Gavin Jennings's office booking three rooms for the 13th on behalf of Prue Stewart, Gavin Jennings and Paul Sproule at $95 per head. At 7.00 pm on the 13th, they had not arrived. l then rung Prue Stewart on her mobile … to ask her what time they were arriving. The phone was on message bank … left the message. This was not returned.
>
> I have since rung Prue Stewart three times … have spoken to Zoe and Clare who said Prue would return my call, this also has not happened.
>
> We … are being treated like a piece of dirt plus the lack of manners is unbelievable considering the position these people hold.

Does the minister intend to reimburse the Gorge Walk Bed and Breakfast or has he taken it upon himself to fill the void left by John Thwaites as the resident freeloader?

The DEPUTY PRESIDENT — Order! There are a number of things about the supplementary question that perplex me. The first is that the member has directly quoted an email without providing an understanding about who the email was from; therefore there is some concern about the authenticity of that email. I am not

reflecting on the member, but I am simply saying that the context in which it was presented to the house left the house in some doubt as to the authenticity of the email.

I am also of the view that the minister has substantively answered the question and would not be in a position to address the supplementary question in any different way given his original answer, particularly as the question was couched in a way that is argumentative, which is not allowed under the standing orders. I will allow the minister to make a comment, if he wishes to, but I advise him to take into account the remarks I have made.

Mrs COOTE — On a point of order, Deputy President, in my supplementary question I spoke of the establishment, which is the Gorge Walk Bed and Breakfast. I did in fact mention who it was.

The DEPUTY PRESIDENT — Order! I think that information was provided after the email was quoted. Perhaps the member has addressed that issue, but I am not sure the question was couched in the way I would have expected for a supplementary question or indeed for any question or any matter that was laid before the house. The minister could perhaps respond with my comments in mind.

Mr JENNINGS (Minister for Environment and Climate Change) — In fact I am particularly mindful of your guidance to the house, Deputy President, in relation to the question and the way this matter should be dealt with. The one thing I can say is that I have absolutely no recollection of ever staying at the establishment in question.

Environment: greenhouse gas emissions

Ms MIKAKOS (Northern Metropolitan) — I can confirm that there are excellent B & Bs at Beechworth, but I have a more substantial question for the Minister for Environment and Climate Change, Gavin Jennings. Can the minister please update the house on recent developments in the design of a national emissions trading scheme?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Ms Mikakos for her question, because indeed there is great potential for this nation to move ahead in relation to a national emissions trading scheme. There is also a great opportunity for this nation and the state of Victoria to address and actually reduce our greenhouse gas emissions in accordance with our international expectations and obligations, and — hopefully very soon — to actually rise up and meet those challenges of greenhouse gas reduction.

As members of this chamber would know, Victoria has had a proud record in the last number of years of intervening in a number of decisive ways to try to reduce our ecological footprint, because we, as a community, have higher-than-world-average greenhouse gas emissions generated by the citizens of our state. Indeed, on a per capita basis, 24 tonnes per annum are contributed by the Victorian population, which is 65 per cent above the worldwide average for energy consumption and greenhouse gas emissions. It is very, very important that Victoria play a lead in this issue, and in fact it has played a lead through the auspices of the Council for Australian Federation, along with other jurisdictions.

Honourable members interjecting.

Mr JENNINGS — Deputy President, you would be aware that Liberal Party members have not demonstrated great commitment to this issue, and they are demonstrating that fact again today. In fact I noticed when you went for the button they were a bit more attentive to this issue. Maybe the combination of my contribution and your reaching for the button will make an impact upon the willingness of the Liberal Party to engage in consideration of the public policy issues around greenhouse gas abatement and a national emissions trading scheme.

One of the first things that the incoming Rudd government has done — —

Mr Lenders — That sounds good. Say it again!

Mr JENNINGS — One of the first things that the incoming Rudd federal government has undertaken has been to make a commitment on behalf of this nation to ratify the Kyoto protocol to comply with our international obligations and to play a leading role in terms of turning around — —

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! Members on my left! The minister, without assistance.

Mr JENNINGS — It is important for all members of this chamber and all members of the community to actually rise up and recognise that Australia now has the potential to play its role as a leader in the international debate about greenhouse gas abatements. It will be able to move with haste in relation to establishing a national emissions trading scheme, and in fact it will be the key architect of trying to drive reform

in the energy sector and in the carbon economy to reduce our emissions.

Beyond that most significant undertaking of the incoming Rudd government, its first act has been to make sure that our nation does implement a national emissions trading scheme, which we will rely on as a nation, following the work that has been undertaken by Professor Ross Garnaut, who was commissioned by the Council for the Australian Federation.

Mr Somyurek interjected.

The DEPUTY PRESIDENT — Order! Mr Somyurek is not in his place, he is interjecting and interacting with the opposition, and he is doing so from a place where it is entirely disruptive to the Parliament.

Mr Somyurek interjected.

The DEPUTY PRESIDENT — Order! I am also talking to Mr Somyurek, and he is moving about.

Mr Somyurek — I'm delivering the drinks.

The DEPUTY PRESIDENT — Order! I was not aware the member was elected as a waiter for most of the government side! I ask Mr Somyurek to show due courtesy to the house in future.

Mr JENNINGS — Indeed, this is a very interactive debate we are having today, Deputy President, and it is an opportunity for all members of the community to be enthused — perhaps not distracted by, but enthused — about the potential to establish a national emissions trading scheme which will rely heavily on the intellectual work undertaken by Professor Ross Garnaut. At a very important lecture he gave at the Australian National University last week, Professor Garnaut gave indications of where his work is leading him in giving advice to all the jurisdictions across the nation about what should be key elements of the national emissions trading scheme.

He was indicating through the S. T. Lee inaugural speech that it is essential to move and move early in relation to greenhouse gas reductions and to have lower caps to lead in greenhouse gas abatement. That is consistent with the hypothesis underpinning the Stern report, which indicated that communities and economies right around the globe would be better off economically if they moved early rather than coming late to climate change adaptation, and that it would be a wise and economically sound procedure to drive caps lower in the initial period to try to make sure we achieve the long-term targets in 2050.

He also indicated that when offsets are embedded in the carbon regime within Australia they need to be operated in a flexible fashion so that they that are not overly generous in the way they are allocated. They need to be sufficiently flexible to meet the needs of industry sectors in the years to come but also consistent with our international obligations and consistent with the way we would deal with trade-exposed industries. That is a very important issue, and my colleagues along this bench would be very mindful of the implications for trade-exposed economic activity within Victoria. There is a need to recognise the integrity of the scheme so that our companies can compete in the global marketplace without having an inappropriate or weakened offset regime compared to schemes that would be produced across the globe.

Also, in relation to this issue again, given that we will be operating in a global marketplace, we have to make sure we have the sort of effective penalty structures that companies right around the globe are already subjected to. Certainly in the European model of carbon trading there are make-good provisions. So beyond the penalties that may apply to emitters missing their targets in one year, they are required to make good those undertakings the following year so that there is not a situation where they are rolled on and companies pay a penalty year after year rather than moving on their obligation to reduce emissions. Those are the essential features of the scheme.

The Victorian government will be prepared to play its role in the international debates and in the national economy in the years to come. Victoria has been at the leading edge of consideration of the architecture of the national emissions trading scheme. We will stay there. We want to make sure that Victoria is at the leading edge of adaptation in a way that will protect Victorian industries, protect our environment and reduce our ecological footprint.

Government: contractors and consultants

Mr P. DAVIS (Eastern Victoria) — I would like to raise a matter with the Treasurer. In particular, I would like to draw his attention to the issue of the transparency of and the accounting for government outlays. My question relates to the requirement under the government's reporting guidelines for departments to include in their annual reports information on the engagement of consultancies as part of the so-called open government policy. However, the education department's 2007 report draws a distinction between consultants and contractors, which it claims is derived from an interpretation of the Financial Management Act. I therefore ask the Treasurer to inform the house

whether the government reporting guidelines have been amended to allow that distinction to be made and whether departments will now be required to report their use of contractors as well as consultants?

Mr LENDERS (Treasurer) — I thank the Leader of the Opposition for his question. In the question he referred to guidelines. Those guidelines are guidelines set by the Minister for Finance, WorkCover and the Transport Accident Commission — the financial directions that he sets for government departments to follow and for how they are to be reported. There has been a longstanding distinction between contractors and consultants.

Mr D. Davis — A fuzzy one.

Mr LENDERS — David Davis says 'A fuzzy one'. The only thing fuzzy is his ambition to run for Kooyong or Higgins!

There is a clear distinction between a contractor who carries out an ongoing task for a department or an agency and a consultant who offers specialised one-off work for a department or an agency. That distinction has been there. I can certainly take the details of Mr Davis's question for the minister for finance to respond to more specifically. Unlike the Kennett government, which swept all these things under the carpet, this government has a record of openness, transparency and accountability. Therefore I will take the substantive part of his question on notice, but I advise the member to look at the definitions of the two terms, which are quite different. This openness, transparency and accountability is a very important part of making Victoria an even better place, under a Rudd federal Labor government, to live, work and raise a family.

Supplementary question

Mr P. DAVIS (Eastern Victoria) — On a supplementary question, in fact the Financial Management Act contains no definition of contractors or consultants, and that is why I am asking the Treasurer, as he is primarily responsible for overseeing the expenditure of the state budget. I therefore ask: is it the case that departments may have engaged consultants as contractors during the past financial year and have not included these engagements in their annual reports?

Mr LENDERS (Treasurer) — If a department has not followed the financial directions, there are a number of gauntlets that department will run. Firstly, the minister has to face the Public Accounts and Estimates Committee. Also the departments have their own audit committees, which this government has encouraged, fostered and sought to enhance the powers of. The departments also are subject to review by the Auditor-General. This government, this side of the house — —

Mr Viney interjected.

Mr LENDERS — 'Empowered', that is correct, Mr Viney. We empowered the Auditor-General. We have removed the restrictions from the Auditor-General that were put in place by the Kennett government, which had no idea of the risk it was facing until the voters of Mitcham in the by-election sent the message loud and clear. We have empowered the Auditor-General. The Auditor-General is the public's watchdog over the affairs of government. I am absolutely confident that if any department is inappropriately reporting on a difference between contractors and consultants, the Auditor-General will draw it to the attention of the Parliament.

Partnerships Victoria: projects

Ms TIERNEY (Western Victoria) — Could the Treasurer please explain how effectively Partnerships Victoria projects are being implemented and any recent improvements to the Partnerships Victoria framework?

Mr LENDERS (Treasurer) — I thank Ms Tierney for her question and for her interest in the procurement of major projects in Victoria, because under the Brumby government, and the Bracks government before it, we have invested in projects far more significantly than any other government in the history of this state. In fact we have boosted expenditure on capital works to $3.5 billion in the last budget, which is up from a figure of $900 million in the last budget presented by Liberal Treasurer Alan Stockdale.

Mrs Peulich interjected.

Mr LENDERS — I take up Mrs Peulich's interjection about 'On time and on budget'. I would say to her that if we want to talk about being on time and on budget, thank goodness that Greg Combet is in charge of defence procurement now under the Rudd government rather than its being done by its predecessors, who could not run a single thing on time or on budget.

But moving on from what Greg Combet as a member of the incoming Rudd government will do to improve defence procurement, what I can say to Ms Tierney is that the importance for us is how we can get best value for the taxpayers money on procurement. We have rolled out Partnerships Victoria projects so that we can

actually leverage our infrastructure expenditure with the private sector to get a better outcome for Victorians. Again we are getting an 'Oh, yeah' from the other side of the chamber, but I advise Mrs Peulich that if the commonwealth had been a bit more innovative in its procurement, it might not have had the big sinking sea of red ink it now has in defence procurement and other areas.

What we are seeking is to do important things, whether they be in relation to roads, schools, water, hospitals — these particular areas — —

Mrs Peulich — How about the Dingley bypass?

Mr LENDERS — And, Deputy President, talking of bypasses, I had the privilege on Sunday of driving down the newly opened Pakenham bypass, which was opened by Tim Pallas, the Minister for Roads and Ports in the other house, and by Anthony Albanese, the new federal infrastructure minister.

We are seeking the best methods of procurement. What we seek to do is to get the best out of government procurement that we can so that, whether it be through traditional procurement or through public-private partnerships, we can deliver to Victorians the infrastructure services they need and expect. However, there has been some criticism of our public-private partnerships and about the openness or transparency of this project.

I am delighted to inform the house, if individual members of the house have not already seen it, that in the last sitting week we actually lodged on the government website the details of the biosolids plant in Geelong. Under our disclosure regime we locked in the first project summary for a Partnerships Victoria project and published it online in accord with the government's election commitments. Gordon Rich-Phillips will be delighted that we are delivering on our election promises. This is but one example.

The project is for the Plenary Environment Group to build a $77.6 million biosolids plant for Barwon Water. I know that Ms Tierney will know about this, because it is an important area in her constituency, but we are delivering a very efficient procurement method for biosolids in Geelong. The new Partnerships Victoria disclosure regime will require that a project summary regarding each PPP (public-private partnership) be published within three months of financial close, which it has.

Mr Rich-Phillips will be delighted that the government's election commitments are being met. The summaries provide a range of information, including how the project meets value for money and public interest tests, as well as the allocation of risk between public and private parties. Again, it was a government election commitment made by Treasurer Brumby just before the last election. While PPP contracts are currently published on the government's contracts website, project summaries will better inform the public about the nature and outcomes of these projects.

Openness, transparency, accountability and government contracts published on the website — and now further information on Partnership Victoria projects, as promised — will add far greater transparency than ever before. This government is delivering on capital projects, whether they be roads, like the Pakenham bypass; water, like the many water projects we are delivering; hospitals, like the new children's hospital, the plans for which the Premier and Minister Andrews unveiled just a few days ago; schools, like the 131 government schools announced in the last budget; or any of the other massive infrastructure projects that this government will deliver. Those projects will be delivered in an open, transparent and accountable manner absolutely in line with the election promise made by then Treasurer Brumby at the last election. This makes Victoria an even better place to live, work and raise a family, particularly with a sympathetic federal government that believes in cooperative federalism.

VicForests: commercial operations

Mr BARBER (Northern Metropolitan) — My question is for the Treasurer. In relation to the requirement for VicForests to deliver a commercial return on its activities, can the Treasurer advise the house whether in relation to dividends, liabilities, return on assets and so forth, VicForests is in compliance with its memorandum of understanding (MOU) with Treasury?

Mr LENDERS (Treasurer) — I thank Mr Barber for his question and his interest in forestry, which I am sure is a longstanding interest. As I outlined to the house some weeks ago in, I think, a response to a question from Mr Vogels, 47 per cent of Victoria's native forests, covering the areas of the Central Highlands and East Gippsland, were burnt in the last five years by fires in the Great Dividing Range. Some 47 per cent of the forests of Victoria were burnt!

Also, VicForests has a new charter which has required it in the last few years to do the haulage to mill door — that is, to bring timber to the mill door, which previously was done in a different form. We are obviously very conscious of VicForests playing that

important role, which is a balance between sustainable harvesting of forests and the jobs — —

Mr D. Davis — The MOU?

Mr LENDERS — David Davis says, 'The MOU'. Whether it is an MOU for Higgins or whether it is an MOU for VicForests, I am not sure, but we on this side are serious about getting the balance right, which I thought Mr Davis might have been, between sustainable forests, which Mr Drum would be very interested in, and jobs in regional communities, which, again, I am sure Mr Drum would be particularly interested in. I had the privilege recently while in the north-east of Victoria at a community cabinet recently to go to Ovens to visit a VicForests site, where Mr Bryan Nicholson introduced me to the other four members at that VicForests site, who explained a lot about the operations and how VicForests works.

What I can actually say to Mr Barber is that quite clearly VicForests is a commercial operation that the government expects to run on commercial principles. As part of that there are now auctions for timber supply and for a range of other things in there, so we will actually get a commercial price for the products of VicForests.

Mr Drum interjected.

Mr LENDERS — It is in an open market. I would have thought that certainly Mr Drum, being a member of The Nationals, a party that has been in a free-trade coalition with the Liberals for a long time, would actually support an open market in these areas.

Mr P. Davis interjected.

Mr LENDERS — Philip Davis interjects, 'Since when have they been free trade?'. That is probably a very valid point. I stand corrected; they are agrarian socialists.

What I say to Mr Barber is that we require VicForests to act commercially. We require it to report, as it has done in its annual report, from which I am sure he has been quoting, and its task is to supply the timber that is required. That is sawlog timber, which is used for flooring in 40 per cent of Victorian houses. We find that only 10 per cent of that sawlog timber comes from plantations and 90 per cent comes out of VicForests, so VicForests is required to supply that sawlog timber to avoid timber being imported from foreign countries and to actually keep our houses affordable — and it is required to act commercially. We will monitor it — I will certainly monitor it as a minister — to see how it operates.

In closing I go back to where I opened. We started off with 47 per cent of the forests where VicForests has a mandate to harvest timber having been burnt in the last five years. We are conscious of that, but we also expect VicForests to run as a commercial operation and to supply the timber necessary to create jobs in regional Victoria in a sustainable manner and for flooring, a vital ingredient that Victorians expect in houses, particularly affordable houses.

Supplementary question

Mr BARBER (Northern Metropolitan) — Given that fire is a not inconceivable business risk for a commercial entity, particularly one engaging in forestry, is the minister saying that he has now altered the conditions of the memorandum of understanding? And will he release this document?

Mr LENDERS (Treasurer) — I take up Mr Barber's point about fires and about them being a commercial risk. Yes, fires are a commercial risk, and that is something that VicForests needs to factor in, as are droughts something that farmers need to factor in and as are droughts something that householders in Melbourne or any town need to factor in, when they are watering their gardens. But having said that, I also say that although there are major events that you need to factor into your business planning, you cannot pretend they were not there. You can have a 5 or 10-year business plan and factor in the likelihood of fires, yet suddenly find that 47 per cent of the forest has burnt down.

Yes, you factor it into your planning, but you cannot escape the fact that when those things happen, organisations and people need to adjust, whether it be VicForests, whether it be domestic users of water in towns or whether it be farmers. Yes, you factor such things in, but when they happen they are difficulties you need to work around. I guess you need some support in the community to work through drought issues. We are conscious that the fires happened, but I do not think anyone ever factored in that 47 per cent of the forests of the Central Highlands and East Gippsland would burn down in a five-year period. I think it was an historical anomaly that that happened.

We expect VicForests to operate on a commercial basis over a period of time. There have been a number of years when obviously its returns have not been particularly strong. That is hardly surprising given that 47 per cent of the forests of the Central Highlands and East Gippsland have been burnt over the last five years.

Housing: affordability

Mr TEE (Eastern Metropolitan) — My question is to the Minister for Planning. Access to affordable and appropriate housing is a critical component in building sustainable, diverse and inclusive communities. I ask the minister to advise the house how the Brumby government's initiatives and actions towards affordable housing align with those of the newly elected Rudd government.

Hon. J. M. MADDEN (Minister for Planning) — I welcome Mr Tee's question, because I know he is particularly interested in this issue and is very committed, as is the government, to improving housing affordability for Victorians. It is important that we maintain housing affordability on a number of fronts, and housing affordability reinforces that Victoria is a great place to live, work and raise a family. We need to ensure that we continue to work with other governments — local and federal — in relation to housing affordability.

Over the last 12 months we have acted on a number of fronts to assist and make a real contribution to building communities and also to provide affordable housing in one form or another, in particular housing diversity, which is a critical component to housing affordability. I will list a few of those initiatives. We have abolished stamp duty on mortgages, and Victoria is the only state to provide off-the-plan concessions. We have also extended the first homebuyer bonus for two years until 30 June 2009. We have delivered a record $510 million for social and public housing in the 2007–08 budget, taking the entire investment up to a total budget of $1.4 billion over the next four years.

As well as that, VicUrban has had an important role in delivering to the market well-designed, quality and affordable homes. It has also been involved in providing a competition for affordable and sustainable housing with its affordable and sustainable housing project, and I look forward to that being rolled out in the future. It is also worth appreciating that VicUrban has given an assurance that a minimum of 40 per cent of its lots are delivered in the lowest price quartile of local markets. As well as that, we have the best land release policies of any city of Australia. It is not just us saying that, it is also reflected in the Housing Industry Association's comments of recent years.

We look forward to working in conjunction with the federal government. I commend the Rudd Labor government for committing to work with state and local governments to tackle housing affordability, and in particular with the announcement of a federal minister for housing. It has taken too long to see this eventuate. It is great to see the Rudd Labor government committed to that. The Rudd government has made a number of commitments on a number of fronts: the first home saver account, the national affordability scheme, the Housing Affordability Fund, the National Housing Supply Research Council and a revamped policy on the release of commonwealth land. We look forward to working collaboratively with the federal government. Our approach is always collaborative.

We look forward to working collaboratively and cooperatively with both local government and the federal government to make sure that we do not upset the applecart. We also want to make sure that we deliver results, and the best way to do that is collaboratively by implementing good, strong policy and by making sure that we are not confrontational and not cynical. We look forward to working collaboratively to make Victoria a better place to live, work and raise a family.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Treasurer) — I have answers to the following questions on notice: 382, 400, 419, 443, 564, 565, 568, 570, 597, 598, 633, 635, 682, 690, 708–10, 735–54, 756, 759, 790, 845, 851, 853, 854, 857, 858, 864–6, 871, 882–91, 901–14, 918–25, 937, 964, 967, 1014, 1016, 1022, 1051, 1052, 1054–8, 1078, 1104–16, 1124–32.

MEMBERS STATEMENTS

Federal member for Higgins: achievements

Mrs COOTE (Southern Metropolitan) — Peter Costello: the Treasurer of Australia for 11 years, deputy leader of the federal Liberal Party, the member for Higgins, a personal friend and a man of the highest integrity. As the member for Higgins he is trusted and admired and, it seems, has increased his vote in the recent election. It is an amazing feat given the large swing away from the Howard government. Having worked closely with him I know Peter has the very best interests of the electorate at heart and has endeavoured to assist all his constituents with their multitude of requests.

It is in his role as the Treasurer of the commonwealth of Australia that I wish to acknowledge Peter Costello today. Regardless of how they voted on 24 November, all Australians recognise that it was Peter Costello who

managed to keep our interest rates consistently low — at 6 per cent at the point of the election — and the strong economy he fostered enabled record unemployment. Australians are notoriously bad at ignoring the success of their compatriots, so it is salutary to recall what the international finance sector thought of our former commonwealth Treasurer, Peter Costello. The International Monetary Fund (IMF) praised Australian authorities for macro-economic management, which it said was widely recognised as being at the forefront of international best practice.

The *American Spectator* of 27 November reports that former long-serving chairman of the US federal reserve, Alan Greenspan, in his memoirs praised outgoing Australian Treasurer Peter Costello for fiscal foresight. The IMF describes Australia's recent macro-economic management as exemplary. That s no faint praise — a truly great Treasurer. And on a personal note, what a waste for Australia that he did not get the chance to be the Prime Minister of this country.

Goulburn Valley Water: corporate licence

Ms DARVENIZA (Northern Victoria) — I want to take this opportunity to let the chamber know how delighted I was to visit Goulburn Valley Water in Shepparton with the Minister for Environment and Climate Change, Gavin Jennings, last Thursday. Goulburn Valley Water became the first Victorian company to negotiate a new corporate licence with the Environment Protection Authority (EPA), which will cut red tape and deliver savings while helping to protect the environment. The new corporate licence amalgamated Goulburn Valley Water's 26 existing licences into one, cutting the length of licensing documentation from 226 pages to 8 and delivering administrative savings of at least $50 000 each year.

The EPA worked closely with Goulburn Valley Water to develop the new licensing, which fully maintains regulatory requirements but also supports Goulburn Valley Water in investigating options for reducing water, energy and materials used beyond the minimum standard requirements by law. I want to take this opportunity to congratulate Mr Mick Bourke, the EPA chairman, Mr Laurie Gleeson, the chief executive officer of Goulburn Valley Water, Mr Don Cummins, the chair of Goulburn Valley Water, and his board, on achieving the very first of these agreements, which are going to bring about very significant savings throughout the state.

Questions on notice: answers

Mr D. DAVIS (Southern Metropolitan) — My statement today concerns the government's slowness to answer questions on notice in this place and the other place. This is a government that claims openness, transparency and accountability, but I have to say the slowness to answer questions is a concern to all Victorians. It is important to put on the record in this place that, even with the 118 answered today, there still may be up to 286 questions that have remained unanswered in this place for over 30 days. It is disgraceful that this government has not answered questions in a timely manner, and it is disgraceful that in the Legislative Assembly questions are not being answered in a timely way. I put the government on notice that over the next period we will follow up to ensure that questions are answered. The Leader of the Government needs to take a measure of responsibility in ensuring that the ministers in this chamber and in the other place answer questions in a timely way. Members of this chamber deserve it, and members of the community on whose behalf members are working deserve proper answers in a timely way.

Prime Minister: acceptance speech

Mr ELASMAR (Northern Metropolitan) — I rise today to announce my heartfelt congratulations to the new Prime Minister of Australia, Mr Kevin Rudd. Listening to his gracious acceptance speech on the evening of Saturday, 24 November, an historic day for the Australian Labor Party, I was struck by his sincerity when he stated that he will govern this great nation of ours for all Australians. This he will do, I have no doubt.

Hume: 150th anniversary

Mr ELASMAR — I attended the 150-year anniversary celebration of the City of Hume at Civic Plaza on 27 November 2007. This occasion was officiated by the mayor of the City of Hume, Cr Gary Jungwirth. I was impressed by the sheer beauty of the structure and the enormous effort made by the councillors and council officers to provide a place of serenity for the community to enjoy. This is what local council is about — about caring and delivering services that residents need and want. I congratulate the City of Hume for commemorating 150 years of local government for the people of Hume.

Pig farming: assistance

Mrs PETROVICH (Northern Victoria) — As Christmas draws near and we are getting to celebrate

this special time with our family and friends, I ask all Victorians to spare a thought for our pig farmers who are facing another tough season. The impact of the prolonged drought and record levels of pig meat imports, now accounting for close to 50 per cent of all pork meat consumed, has brought our pork industry to breaking point. According to the peak body, Australian Pork Ltd, the pork industry is losing around $3 million to $4 million per week. Producers are currently losing on average more than $30 per pig sold.

The Productivity Commission has commenced hearings into the plight of the Australian pig industry and the impact of imports. It will determine whether safeguards such as tariffs on imported product are required to help local producers adjust to the new market conditions. In the meantime, at this special time of giving, we should be looking to give something back to our own. On Christmas Day, when most of us will be enjoying traditional fare including of course ham and pork, I implore all Victorians to make sure that it is Australian pork on your Christmas plates.

How can you tell? All pork that has a bone in it is Australian. Otherwise, believe it or not, it is quite hard to tell, but you can and should request it from the retailer. This highlights another problem, and over the coming months I will be seeking greater assistance for our farmers through better 'country of origin' labelling.

Mary Martin

Ms HARTLAND (Western Metropolitan) — A week ago I attended the funeral of Mary Martin. Mary had worked at Parliament for 26 years and she was the executive assistant to the Clerk.

The service was a real celebration of Mary and those who spoke gave a picture of a woman who had a great sense of humour, who was a loyal friend, a great advocate for the Community and Public Sector Union and a long-time member of the Australian Labor Party, who would have been very disappointed at not being here for the election night and not being able to vote. From Kelly, her daughter, we knew that she was a special friend and mother.

I knew Mary from the days when I worked in the kitchens and would often make her toast. She always had the best smile. When I was elected and came into Parliament Mary was one of the first people I saw, and she was there with her smile and warm congratulations. The numbers of family friends and co-workers who were at Mary's service and the loving way they spoke of her showed me that Mary was thought of in high regard and that people will miss her greatly.

Australian Labor Party: federal election

Mr SCHEFFER (Eastern Victoria) — I congratulate the Australian Labor Party, the labour movement and the new Labor Prime Minister, Kevin Rudd, on the great federal election win on 24 November. The formation of the first federal Labor government in 11 years could not have come at a more critical time in this country's history.

The big issues of the day — addressing the cause of dangerous climate change, restoring a fair industrial relations system, making a formal apology to the stolen generations, investing in education, revitalising manufacturing and the withdrawal of troops from Iraq — are all issues that will now get the attention they deserve.

Voters turned away from the coalition government because it had failed to address these big issues. Voters saw through the fact that the economic good times were based on nothing more than a commodity boom. They had tired of a government obsessed with reducing the deficit, paying off public debt and amassing surpluses without doing the hard work of renewing infrastructure, investing in people and contributing as a responsible global citizen to the historic environmental and human rights challenges of our time.

Many Labor candidates won seats, others did not. I would like to acknowledge the courage, tenacity and determination of Australian Labor Party candidates Jane Rowe in Gippsland, Gary March in Flinders and Christine Maxfield in McMillan electorates. I congratulate them for putting themselves forward in hard-to-win seats and for raising the Labor standard. I would also like to acknowledge the hard work of the campaign teams and Labor Party supporters across Eastern Victoria Region, who worked tirelessly for many months to secure this historic Labor victory.

Victorian Wilberforce Awards

Mrs KRONBERG (Eastern Metropolitan) — A group of dedicated Victorians with a Christian calling conducted the Victorian Wilberforce Awards for 2007 in Parliament last Friday evening.

This year marks the 200th anniversary of the towering achievement of William Wilberforce, whose legislation in the House of Commons lead to the abolition of slavery in the British colonies. Wilberforce's determination, faith and compassion shines through the centuries to us. Suffering travails, it took him 18 years to see the bill passed. Hence, from 1807 British naval ships were empowered to enforce the ban on slave

trading. It took another 26 years for Wilberforce as he lay dying on his bed to hear that existing slaves were finally to be released.

We owe much to Wilberforce and the Clapham group who also founded the Society for the Prevention of Cruelty to Animals, the British and Foreign Bible Society, schools to teach poor children, and who fought for improved conditions in factories and prisons. Wilberforce's reforms would later provide the colony of Victoria with the very foundations, values and freedoms which we all rejoice in today. Wilberforce exemplified just what faith-based activism can bring about and what dedicated people with perseverance and long-term commitment can achieve. However, with an estimated 27 million people in some form of slavery today, there is much work still to be done.

Bernie Banton

Ms PULFORD (Western Victoria) — The word 'hero' gets bandied around a lot these days. Bernie Banton passed away on Monday morning of last week. Bernie is one of Australia's great heroes. I offer my sincere condolences to Bernie's family and friends, who must be incredibly proud of his work.

Not having ever met Bernie, but like many Australians I watched him take his fight right into his final weeks, and was touched by his passion and commitment to representing people exposed to and affected by asbestos in the course of their employment. The fight to justly compensate these workers was not always fashionable. Both the former federal government and the New South Wales government were slow in backing it, and it was the union movement, led by then Australian Council of Trade Unions secretary Greg Combet, that was instrumental in lifting the campaign into both public and political consciousness — where it belonged.

While Bernie fought hard for adequate compensation for workers affected by James Hardy asbestos, the company tried to flee to Europe, leaving little in the way of compensation funds. The fight was eventually successful. Bernie's legacy is a $4 billion fund to help ease the pain and prolong the life of those suffering from asbestosis and mesothelioma now and in the future. May he never be forgotten.

Committee for Geelong: annual dinner

Mr KOCH (Western Victoria) — The Committee for Geelong comprises a group of leading Geelong citizens who, inspired by the success of the Committee for Melbourne, set about developing and implementing long-term strategies for the benefit of their community. As Victoria's largest provincial city, Geelong offers a mix of employment and investment opportunities with a business base of over 10 000 enterprises. The Committee for Geelong is highly focused and is committed to developing Geelong's social, economic, cultural and environmental conditions. The group sees its primary role as a catalyst for improving the quality of life for Geelong citizens. It also provides a key role in developing community leaders for Geelong's future. So it came as a major disappointment for the Geelong community that not one member of the Brumby government bothered to accept an invitation to attend the committee's 2007 annual dinner held last week. Not one of the five local members who reside or have their offices in the Geelong area made the effort to attend. Indeed it was their loss for missing out on hearing truly remarkable presentations by guest speakers Gerard Murphy from Leading Teams Australia and Tom Harley, the premiership captain of the Geelong Football Club.

I appreciated my invitation to attend. I congratulate the chairman, Jim Cousins, the chief executive officer, Peter Dorling, and the Committee for Geelong for the group's commitment and strong advocacy for the Geelong community.

Australian Labor Party: federal election

Ms MIKAKOS (Northern Metropolitan) — I rise to congratulate Kevin Rudd and his team on their tremendous election victory. It has put an end to 11 dark years of the most divisive government in Australia's history. I have been heartened by Kevin Rudd's immediate steps to address climate change by signing the Kyoto treaty, by attending the United Nations climate change conference in Bali and by his commitment to pursuing a social justice agenda, including considering the plight of those who are often forgotten — that is, the homeless. I also welcome the imminent demise of WorkChoices, Mr Rudd's focus on affordable housing, the reintroduction of commonwealth funding for the public dental scheme, an apology to indigenous Australians and a more collaborative approach to federalism.

I take this opportunity to congratulate all the newly appointed ministers and parliamentary secretaries. I note that Victoria has done extremely well in this regard. I also congratulate all our newly elected Labor MPs, particularly those from Victoria. As a result of the election, I have had to clean out from my bottom drawer here in the chamber a book I have had there for many years called *John Howard's Little Book of Truth*. I will be donating it to the next federal Liberal member

for Higgins, David Davis, who might be able to raffle it off at a future fundraiser.

The DEPUTY PRESIDENT — Order! The member is lucky she still has it to raffle; the Chair did not see it!

State coroner: tenure

Mr DALLA-RIVA (Eastern Metropolitan) — I rise in total criticism of this government's approach in sacking the other day the coroner, Graeme Johnstone. I think it is an absolute outrage that this government would continue to interfere with the judiciary of this state. This is yet another example of the government's use of the report on the Coroners Act by the Victorian Parliament's Law Reform Committee, of which I was a member. During that whole inquiry process there was no criticism whatsoever individually of the coroner himself. The allegation that the reasons that led to Mr Johnstone's axing by the Attorney-General related to criticism in this report is an absolute lie. That criticism did not occur, and I encourage members to read the 700-odd pages of the report and find where it says that the coroner has been negligent in his duties.

The report does not say that. It talks about the processes and the systems and ways of improving those. As a member of the committee that produced that report, I am absolutely outraged that this government has used the veil of this report to axe the work of Graeme Johnstone. If the government wanted to make the position of coroner that of a judge — and the report makes it clear that in every other state and territory the coroner is a magistrate — it should have elevated Mr Johnstone to the position of judge. It should not put in people who are apparatchiks of this government's agenda in the long run.

Western Metropolitan Region: investment

Mr PAKULA (Western Metropolitan) — Wednesday, 28 November, was a red-letter day for Western Metropolitan Region. That morning I joined with the member for Footscray in the other place, Marsha Thomson, and the Minister for Planning, Mr Madden, at the opening of the one-stop planning shop in the Nicholson Street mall that is part of the $52 million Footscray transit city program. Later that morning Ms Thomson and I joined Mr Wynne, the Minister for Housing in the other place, at the announcement of a $15.5 million project to build 71 affordable housing units in the old Barkly Hotel in Footscray. At the same time Mr Batchelor, the Minister for Community Development in the other place, was announcing $350 000 for the redevelopment of St John's hall in Footscray into a new community facility.

Later Mr Eideh, Liz Beattie, the member for Yuroke in the other place, and I joined with Ms Pike, the Minister for Education in the other place, at the opening of a fantastic new wing at the Willmott Park Primary School in Craigieburn. From time to time you hear silly commentary from certain individuals asserting that Labor does not care about the west. Nobody buys it, and days like last Wednesday demonstrate why. In one day this government did more for Melbourne's west and Western Metropolitan Region than the previous government did in seven years.

The DEPUTY PRESIDENT — Order! I wish to indicate that Minister Theophanous and Philip Davis have been members of this chamber for quite some time, and I think they would know that it is not really helpful to the house for the two of them to be standing and having a conversation. I accept that it was not audible, and from that point of view it was not disruptive to the Parliament, but it would have been better had they been seated and perhaps had their discussion in that manner rather than in such a position that I was impeded from seeing the speaker in part.

I also indicate to the house that I have some concern with the remarks made by Mr Dalla-Riva. Under standing orders it is not permitted for us to refer to the judiciary in a derogatory fashion or to in any way reflect on it. Whilst there was no comment that named the incoming coroner, there was a suggestion that it was an appointment that, to paraphrase, perhaps had not been made on merit. That could well be interpreted as a reflection on the judiciary, which is not permitted. I caution members to be very careful with the terms in which they couch statements in respect of these matters in future.

Government: media releases

Mr VOGELS (Western Victoria) — Now that we have wall-to-wall Labor right across Australia the importance of transparent and accountable government becomes even greater. With hundreds of thousands of bureaucrats all pushing the Labor cause, our parliamentary library becomes even more important in, as Don Chipp would have said, keeping the bastards honest.

Over the weekend it was announced that electricity prices in Victoria will increase by 17.5 per cent, or a couple of hundred dollars a year, for the average consumer. This is of course on top of water usage costs, which have also increased. It brought back to me the

memory of the carping and whingeing from Labor in the 1990s in the time of Jeff Kennett's government on the need for concessions for the frail, the elderly and working families et cetera. I clicked on the media releases, followed the links and found that in 1995 the Kennett government locked in price reductions of 9.1 per cent from 1995 to 2000 on the entire electricity bills of residential consumers. Eligible pensioners, veterans and war widows received a rebate of up to 50 per cent on water and sewerage charges, and there were a 17.5 per cent winter energy concession, energy relief grants scheme, a summer energy concession and so on.

Yesterday I asked my office to have another look at some of the media releases prior to October 1999, only to find that they had been removed. There was no longer a link on the library website to those media releases. Media releases pre-October 1999 are now there, but yesterday afternoon — —

The DEPUTY PRESIDENT — Order! The time for making members statements has expired.

AGENT-GENERAL AND COMMISSIONERS FOR VICTORIA BILL

Second reading

Debate resumed.

Mr HALL (Eastern Victoria) — I am pleased to report to the house this afternoon that The Nationals will be supporting the Agent-General and Commissioners for Victoria Bill 2007. The purpose of the bill is best summarised in the words of the minister in his second-reading speech, when he described it as a bill:

> … to create a new class of statutory office-holders to complement Victoria's representative to the United Kingdom, the agent-general. These new office-holders will be known as commissioners for Victoria.

He went on to describe the bill in more detail.

The bill repeals and replaces the Agent-General's Act 1994. As the previous speaker said, this amendment bill essentially preserves the position, functions and duties of the agent-general. All the matters relating to the agent-general will be preserved in this bill, but it will also create the position of commissioner for Victoria. It has been indicated by the government that various commissioners will be appointed to serve Victoria in its relationship with different parts of the world. It recognises that Victoria is part of a global economy and needs to establish a whole range of cultural, social and recreational links to the rest of the world. Although in the past Victoria has had trade offices located at capital cities around the world, my understanding is that this bill will take this a step further and the role of the commissioners will be more multifunctional than that of those who previously served the Victorian people at trade offices in various parts of the world.

Clause 9 of the bill is important. It sets out the functions and duties of both the agent-general and the new commissioners. For example, clause 9(2) on page 5 of the bill says:

> The function of a Commissioner is to represent Victoria in any post territory as directed by the Minister under section 11 for the purpose of furthering the development of commercial, economic, cultural, scientific and technological relations.

Indeed, those same functions apply to the agent-general.

Subclause (3) of clause 9, on page 6, spells out the duties of the agent-general and other commissioners. These duties include, and I paraphrase: to promote Victoria's economic performance; to promote investment in, and tourism to, Victoria from the relevant post territory; to foster trade; to expand the market for Victorian exported goods; to facilitate the migration of people with business and trade skills to Victoria; to assist in the promotion of Victoria's cultural, sporting and other major events; to assist in the coordination of intergovernmental relations; to foster friendly relations between Victoria and the other post territory; and to perform any other duty conferred by the minister of the day. The role the commissioners will play is a fairly broad one, which is appropriate given the circumstances of the global economy in which we now live.

It is interesting that clause 10 requires an annual report to be submitted by each of the commissioners. I quote:

> On or before 31 August each year, each Commissioner must submit to the Minister a report on the performance of his or her functions or the carrying out of his or her duties for the year ending on 30 June.

That is appropriate; there needs to be a reporting function. Although I have no idea what it will cost, I would think the cost of the establishment of various commissioners in different parts of the world and staff to support their work — the cost of this bill — will be considerable. Consequently, for reasons of accountability, it is appropriate that yearly reports of the work undertaken by each of those commissioners be available.

I note that the amendment to be moved by Philip Davis extends this accountability by requiring each of those reports received by the minister to be included in the relevant annual report of the Department of Innovation, Industry and Regional Development. This would bring public accountability to the role of the agent-general and the commissioners. For that reason we think this is more than reasonable, and The Nationals are prepared to support that amendment.

The bill itself is appropriate. As I said at the outset, we have no problem supporting the concept of the bill. We believe it is appropriate. It formalises some of the trade functions already carried out by various Victorian government business offices around the world. It is appropriate that this be formalised in the way set out in the bill. I again indicate to the house that The Nationals will support the bill, and we will also support the Liberal Party-sponsored amendment.

Ms HARTLAND (Western Metropolitan) — As the bill has been outlined quite well by Mr Davis and Mr Hall I will not speak for very long, except to say that the Greens will be supporting the bill and the Liberal Party's amendment.

Ms PULFORD (Western Victoria) — I rise to support the Agent-General and Commissioners for Victoria Bill 2007. Victoria has 11 Victorian government business offices (VGBOs), and the Premier has announced that six of those will become core posts — that is, those in Tokyo, Dubai, Shanghai, Bangalore, San Francisco and London.

In 2006–07 the Victorian government and Victorian government business offices supported 36 overseas trade fairs and missions. A total of 359 Victorian companies participated in those events. The expected increase in exports as a result is $238.7 million. The government attracted $3.5 billion of investment in 2006–07, with support being provided through Victorian government business offices. This investment is expected to create over 8000 new jobs, with 2600 jobs expected to come directly from foreign investment projects.

Our VGBOs play a crucial role in attracting overseas investment. Recently Victoria's agent-general in London, Mr David Buckingham, led a review into these roles. The review of the Victorian government's international networks recommended a new legislative framework. The bill is the result of those recommendations. The bill creates consistency and certainty around the appointment, employment conditions, status, roles and level of responsibilities of our representatives overseas. The current arrangements are not entirely consistent for roles which are in every respect comparable.

The Agent-General's Act will be repealed by the bill. The agent-general will be joined by the new class of statutory office-holders known as commissioners for Victoria. Commissioners will be able to be part-time or full-time employees and can be based in Victoria or in a specific country. Commissioners will be subject to the Public Administration Act 2004 and will be required to provide an annual report, which will make them and their offices more accountable and transparent. We believe these changes will provide certainty and enable Victoria to attract high-quality experienced candidates for these roles. We believe this bill will further enhance the work being done to bring investment opportunities to Victoria. I commend the bill to the house.

Mr D. DAVIS (Southern Metropolitan) — I am pleased to rise and make a contribution to debate on the Agent-General and Commissioners for Victoria Bill. As indicated by Philip Davis, the opposition supports this bill and has a proposed amendment to clause 10 which will not only insert an annual reporting function, as is required under the bill, but also ensure that the annual report is made part of a departmental report to be tabled in Parliament.

We support the idea of commissioners and a greater role for them. I believe the bill is largely symbolic. There is nothing wrong with that in and of itself, but I think there are, below the surface, a series of important concerns which Victorians have about our trade performance, the performance of the Victorian economy, the role of our overseas business offices, the role of small and medium businesses within that framework, the position of Victoria as an Australian state and its place, frankly, in the world, and how we can get the best outcome for Victorians. It is important to note that our standard of living depends on the strength of our economy and in part — which is a very significant part — our capacity to trade and to exchange goods and services not just with other parts of Australia but also with other areas in the world. That trade function is critical.

Our trade function is not the only thing that is important; the investment activities that are undertaken by investment offices overseas are as well. Whilst we strongly support the performance and activities of our trade offices, investment offices and tourism promotion offices overseas, I think it is important that this bill is seen not just in terms of trade but also in terms of other functions which are inextricably linked together and have such an important bearing on the future performance of the Victorian economy.

As part of the government's background work on this issue, the government commissioned a review. Steve Bracks, the former Premier, commissioned a review of the Victorian government's international network by Mr David Buckingham. The review was conducted in May 2007. I want to make some points about this matter before I get into the detail of this document and what the document in a sense points to and, importantly, what it does not point to.

Firstly, I reject any suggestion claim that the document is a satisfactory review of the Victorian government's international network in terms of the functions of trade investment and tourism promotions. The government commissioned this review almost in secret. Members in this house will remember that I asked Mr Theophanous, the Minister for Industry and Trade, earlier in the year to explain how businesses, organisations and traders could have input into this review. What were the terms of reference of the review? Those terms of reference have never been fully revealed. I think that is shabby; that is frankly not sufficient.

The terms of reference were certainly not revealed in the detail that was required at an earlier point, which would have enabled trading organisations, businesses and those perhaps seeking to export or to build international links to take satisfactory steps which would have improved the quality of this document. It was also important that the minister refused to say in this chamber how or to whom those people could send information. He simply and flatly refused to tell us what the terms of reference were and how individuals or groups could submit to the review.

Further, David Buckingham, the Victorian agent-general in London, is a man with a long Labor history — but not a person without some capacity — who is too close to these matters to be a dispassionate reviewer. He is not a reviewer who can be seen to have given the best information to Victorians and those making decisions about any reviews of or changes to our international network. David Buckingham, as the agent-general, is effectively reviewing himself. By all reports, including the parts which are not attached — and I will say something about that in a moment — he actually gave himself a big tick. He said, 'I am doing a good job in London. I think it is all okay. I'm going to make a few little changes here and there'. I have to say that I do not think enough has been thought through.

Hon. T. C. Theophanous — Do you do anything except bag people?

Mr D. DAVIS — It is Mr Theophanous who sought to put the veil of secrecy on this. Mr Theophanous refused to release the terms of reference, and he was the one who refused to tell businesses and business organisations — —

Hon. T. C. Theophanous interjected.

The DEPUTY PRESIDENT — Order! That will be sufficient from Mr Theophanous. He has made a point. I will have no more.

Mr D. DAVIS — It is the case that Mr Theophanous refused to reveal the terms of reference at an early point, and he refused to reveal the details of how people could submit to this review. I have to say that even this final review report says on page 4:

> This is an edited version of the review of Victoria's international network conducted by Mr David Buckingham in May 2007.
>
> Certain information has been removed to protect cabinet-in-confidence and commercial-in-confidence material.

This is the government that claims to be open, transparent and accountable. What a joke! This important review report should have had in it the details of all the submitters and the details of the key information that was put forward; and there should not have been an expunging of key, unsatisfactory or difficult information for the government, which is clearly what has occurred in this case.

It is very interesting that Mr Brumby, the Premier, is reported in *Hansard* as having said when in opposition:

> There must be clear rules and there must be openness about the use of the expression 'commercial in confidence' to hide material information from the public and from the taxpayers.

I have got to say that this is another example of a secret government — a government that is not open, not transparent and not accountable.

This is a very important review. If it had been done properly, if it had been done systematically and if it had been done openly and publicly, it would have been a more robust document, it would have had more information in it and it would have demonstrated a deeper understanding of our overseas network and so forth. I think what is presaged in this document is a matter of concern for Victorians. I think this document, in a soft way, presages a winding back of some of the investment attraction activities by Victoria. I think that is a significant concern.

Mr Pakula — Do you mind explaining that? Why don't you explain that?

Mr D. DAVIS — Let me explain here. I think the investment attraction function is intimately linked with our export performance. Many of the large international firms that would choose to invest here and that could be attracted by Victoria, Melbourne and country Victoria in some cases would be firms that are very strongly linked into international supply chains and would give our industries here an edge in getting their exports out of the country. The idea that you can wind back the investment attraction on one hand while saying 'We are going to put more emphasis into exports' on the other is naive and misguided and ultimately will be seen to be so.

But I do want to say something about our export performance. Victoria has not done well in its export performance, and there are a number of reasons for that. It is true that Victoria, as part of Australia, needs to compete with the other states, particularly the mineral export states of Western Australia and Queensland. It is true that we face significant challenges with the strength of the export sectors and minerals sectors of those states, particularly overseas. There is no doubt that there are currency challenges for us there, because a strong Australian dollar makes it harder for us to export. The fact that those challenges exist is equally not an excuse. If you accept that it is an ultimate excuse for a poor trade performance, you will see Victoria slide relative to other states and other parts of the world over the long haul. In many respects that is what is beginning to occur to this state under this government. After eight years the government has not positioned the state well.

Hon. T. C. Theophanous — The opposite — that is what Philip Davis said!

Mr D. DAVIS — I know what he thinks, and he is very concerned about the future of the state. He wants to see it perform strongly. I make the point very strongly that our share of international exports of merchandise have fallen from more than 20 per cent when this government came to power to just over 12 per cent. That is a significant fall in our share of international exports — and our services sector has not done well in its capacity to fill the void. We have had $30 billion worth of exports — and I would be interested to see how that shakes out with the trade figures that came out yesterday — but over a 12-month annualised figure they seem to me not to fundamentally change the fact that we provide somewhere around 12 per cent to 12.5 per cent of Australia's export volume of merchandise, and our performance on services is not much better. I have to say there are no easy service exports on the horizon for us. Victoria traditionally did well with the education sector but growth there is becoming more difficult, and there is much more international competition now. I commend the previous Liberal government under Jeff Kennett — and Phil Honeywood, in this case — who led the charge with Victoria's education exports overseas and indeed with inbound students.

Hon. T. C. Theophanous — Neither of them thought much of you!

Mr D. DAVIS — I think they both actually thought quite a lot of me, in fact. The reality is that our exports of services have not kept pace with where they should be, and they certainly have not taken up the slack of a relative diminishment of our merchandise exports. If you look at tourism, we face significant challenges with tourism. A stronger currency will make it more difficult for the Victorian tourism industry, and I think whilst there is a great deal that can be done — and I am happy to say that this government has taken some positive steps there — there is much, much more to be done to make us internationally competitive in that respect. Certainly part of that is about infrastructure in Victoria and part of it is about the marketing and the promotion of the state, and both factors have to be dealt with. It is possible that some of the mechanisms which were introduced in this review of international networks and which were announced prior to the release of the document may in fact give some opportunity for a sharpening of the focus of our overseas offices on tourism. I do not doubt that there is much to be done there.

I also want to put on the record something about the actual performance of our individual overseas offices. What is important, I think, is that we do not lose track of what the primary aims of these offices are. If the discussion of this document and the bill leads to some sharpening of focus through bringing a public profile to the role of these offices, that is a positive thing. I am concerned, as I have said publicly before, about the winding back of a number of offices — about the creation of so-called core offices on one hand and, by implication, non-core offices on the other.

Mr P. Davis interjected.

Mr D. DAVIS — I have got to say that if I were a commissioner-type person, or a senior trade or investment official in a non-core office — one of the ones that has not been singled out for strengthening — I would be concerned that my office may be one of the ones that faces some wind back as resources are shuffled and moved to different locations. I want to instance an example that I have talked about publicly before, and that is the European Union. The EU is a

very important partner for Victoria and a very important partner for Australia. The European Commission, in its 2006 survey of European companies in Australia, made some very salient points about Victoria's position.

I note in the context of this that the Frankfurt office — I am using this as a case study, if you will — is one of those offices that has not been designated a core office and faces a future as a non-core office. The European Union is a very significant trading partner for Australia, but the survey shows that EU companies are overwhelmingly based in New South Wales — 75.8 per cent of them choose New South Wales as their Australian base. Compared to earlier surveys, Melbourne is increasingly being overlooked. Only 12.1 per cent of EU firms are headquartered in Victoria.

In terms of direct employment, New South Wales had 74.5 per cent of the jobs in the survey of EU firms based in Australia. Victoria had only 14.8 per cent of the employment. Even on turnover, we were less than half of New South Wales, and that does not bode well. If we were looking to where international head offices or regional head offices were to be based, we should be seeking to have as many of those as possible in Victoria.

What concerns me is that this review by Mr Buckingham, and the government's acceptance of its broader principles, seems to me to presage a concerning lack of focus on attracting overseas investment. A key survey finding was that the EU is the largest overall investor in Australia, providing 34 per cent of its total foreign investment and its largest direct investor with 35 per cent. Another conclusion of the survey was that EU companies make a particular contribution to the New South Wales economy, with over 60 per cent of total EU company turnover and 70 per cent of total EU employment generated by companies that have their head offices based in New South Wales.

This is a very important point. If the decision to wind back certain offices or to weaken the strength of push in certain offices occurs, that will be very poor for Victoria. We need to capture that investment from around the world. I am particularly concerned that London is not the only place from which investment by the EU should be derived. We have to think a bit more broadly and a bit more cleverly than to have everything running out of Rules Restaurant in London. I think there are real concerns in that regard.

It is important to say that this government's general industry policies are in a state of broader paralysis when you look at them. It is not only the Buckingham review, which took so long to be released and then was only partially released, but there is, I understand, a departmental review of the services industry going on at the moment. That review of the services industry has not been discussed or advertised widely, to my knowledge.

If you look at the financial services sector, of which a reference has been given by the minister to the Economic Development and Infrastructure Committee — on which I and the Deputy President sit — it would be fair to say that the government has not turned its focus to the financial services sector in the way it should have; it has not involved the broader community — the business community in particular — in the development of a model for Victoria that will position us into the future.

The review of manufacturing industry that was meant to follow the flimsy statement that was made in late 2006 has not appeared. A review of the automotive industry that was to have appeared as early as 2005 has still not appeared. These are all signs of a government that has lost its way in many of these important industry areas.

It is not as though we can be sitting on our tails or resting on our laurels over this. The Victorian position, as I have said, is not strong. If you look at the federal Department of Foreign Affairs and Trade's most recent fact sheet on merchandise trade, dated July 2007, the average annual export growth over the last five years for Victorian merchandise trade is shown as minus 2.8 per cent, which represents a significant problem and a challenge for the state. As I said, the services sector is not coming through in the way that is required.

I want to make some further reflections on the process by which the government manages some of these reviews. I want to point out that long before the findings of this Buckingham review were publicly released — but after it was completed and known quite widely to have been completed — I and a number of other people sought to obtain that document through FOI. We were sent, as this government is increasingly being seen to do, on a round-robin process to try to discover the document, to try to rip the document out of the government. We wrote to the Department of Innovation, Industry and Regional Development. DIIRD came back and said, 'No, we do not have much to do with this. We do not have any documents on this'.

I have to say I found that extraordinary. I found it, frankly, unbelievable if DIIRD, the major department in this area, did not have much to do with it. This

document was completed in May 2007, and the department had written to me on 9 August, saying:

> Preliminary investigation of your request indicates that this department is not in possession of the Buckingham review of Victoria's overseas business office network.

We also asked for the documents surrounding that review, including the departmental submissions. It is inconceivable that the Premier's office or department would conduct a review of our overseas business services without involving the major service delivery department which is responsible for it. There must surely be documents that deal with the Buckingham review. There must surely have been submissions from DIIRD to Mr Buckingham or the committee that surrounded him. There must have surely been data that was moved across, yet none of this was found to be available. I have to say that that is a scandal. It is simply an attempt to prevent the opposition, and a member of the public, in this case, from getting access to those important documents.

The Department of Premier and Cabinet wrote to me on 15 August:

> If you seek official documents of the Premier you will need to make a request direct to the Office of the Premier …

So we have the Department of Premier and Cabinet now telling us that they do not have anything to do with it either. They do not have the documents or the details, but said, 'You will have to go to the Premier's office'. This became, I have to say, a bit too silly for words.

A further letter later arrived, giving every reason under the sun why they could not give this information. The office of the Premier wrote back with gobbledegook as well, so you had these three sections of the government that did not know what they were doing — —

Mr Pakula — You would be fluent in that.

Mr D. DAVIS — In what? I have to say that when dealing with this government you tend to see a great deal of gobbledegook coming back from FOI offices as the government seeks to avoid scrutiny and to refrain from sending out documents that should be legitimately in the possession of an FOI applicant, and indeed in the public realm. I have to say you would not regard this process that the government has gone through as an exemplar of FOI performance. You would have to say this is nonsense designed to prevent the release of documents. It is not as though our overseas business offices are performing particularly well.

The FOI information that the opposition did get out of the government after about a year's delay was that which dealt with the office of the agent-general, Mr Buckingham, in London. I have to say that when you read through the thousands of pages of documents, you can only conclude — —

Hon. T. C. Theophanous — I thought you said you didn't get documents. Now you are saying you are getting thousands of pages of documents.

Mr D. DAVIS — I was very clear with respect to the Buckingham review. The government is still to release the documents in full and is still to release many key documents; it sought for many months to obstruct that request. In the case of the agent-general's office in London, the government took 12 months to release those documents. It took a huge amount of time and sought to prevent the release of those documents which point to the abuse of Victorian government resources in London by many ministers, as they swanned around the city.

I have to say that the former Premier was amongst the worst. The current Deputy Premier, Rob Hulls, was also right up there, with his $3700 lunch in Paris and his massive $6000 rail tickets between London and Paris, to go over for his $3700 lunch in Paris that day. It cost the Victorian taxpayer $10 000 for the round trip to get Mr Hulls to Paris for a swank lunch at one of the best restaurants in the world, and to use the limos there.

Mr Pakula interjected.

Mr D. DAVIS — I am sure you would love a lunch like that, but you would probably have to pay for yourself, Mr Pakula. I am sure Philip Davis, Mrs Coote and Ms Hartland would also like that sort of lunch, but they would have to pay for themselves.

The DEPUTY PRESIDENT — Order! I am rather surprised that government members are so busy in conversation that they have not called a point of order. From the Chair, I now believe Mr Davis is straying from the legislation, and I ask him to come back to the bill before the house rather than going through what I see as a much broader attack on the government over its handling of FOI matters and particularly certain documents that he may have received. I think his link with the legislation is tenuous, and I ask him to come back to the bill.

Mr D. DAVIS — Can I make some comment on the point of order? Can I put a case on the point of order? Am I entitled to do that?

The DEPUTY PRESIDENT — Order! Mr Davis can comment on the point of order.

Mr D. DAVIS — On the point of order, Deputy President, the points that I made about FOI related to the Buckingham review specifically, on which this legislation is based. So the background to the legislation and the non-release, still, of key details is significant.

The DEPUTY PRESIDENT — Order! Mr Davis is actually arguing with the ruling rather than making a point of order. I understand this is an interesting piece of legislation in the context that it does pertain to officers of the government who have a range of duties and that perhaps Mr Davis is exploring some aspects of that, but I think in the context of the debate, the material he was advancing, as I said in my ruling, was in reality a fairly tenuous link; he was moving too far away from the bill. I ask him to come back to the bill.

Mr D. DAVIS — Deputy President, I will continue and just make the point that this bill clearly introduces a new regime for our overseas offices. The commissioners will undertake similar roles to those undertaken by the agent-general, and it seems to me that the performance of the agent-general as an exemplar, given that we will now have further or mini agents-general, if we want to call them that — commissioners — around the globe, it is important that we actually ensure the outcome for Victorians that we get from these commissioners is of the standard that Victorians will be proud of and that they will return a satisfactory result for Victorians.

In conclusion, I want to make the point again that the government has introduced a bill that the opposition supports. Philip Davis has outlined an amendment, which I think is sensible and which will increase transparency of the performance of these officers, for which there is a need, and ensure that public funds in those places are spent wisely, not wasted on government ministers jetting around in limousines and going to swank restaurants in London or Paris.

Mr Pakula interjected.

Mr D. DAVIS — Mr Theophanous moved around in a limousine in London, and it is very hard to see what value the community got from him moving around in that manner. I have to say an increased transparency is a very valuable addition in ensuring we get good value for our taxpayer dollars in our overseas offices. I hope the commissioners perform better than our current agent-general does.

Mr PAKULA (Western Metropolitan) — It appears David Davis is so excited about the demise of his nemesis, Mr Costello, and his potential elevation to the federal seat of Higgins that he is mixing his metaphors. I have never known anyone to jet around in limousines before, but Mr Davis wants to suspend the laws of physics!

The contribution we have just heard has been in some respects a classic David Davis contribution, in that it has smeared individuals without any evidence. It has demeaned the performance of Mr Buckingham, who by all accounts has been an excellent agent-general in London.

Mr D. Davis — He is a Labor mate.

Mr PAKULA — He is far less a Labor mate, as a representative of business organisations, than was Mr Alan Brown a Liberal mate, that's for sure! He does not have the political pedigree of Alan Brown.

Mr Davis has smeared individuals, and he has criticised the performance of the agent-general without any evidence whatsoever. He demonstrates why the Liberal Party is out of office in all jurisdictions in Australia. Its most senior member in the country is Campbell Newman, the lord mayor of Brisbane, because in his praise of Mr Kennett and Mr Honeywood, David Davis demonstrates that the Liberal Party still believes, not just in this jurisdiction but almost certainly throughout Australia, that it was actually the voters who got it wrong.

Mr Davis talked about the government's records on tourism. He did not mention the fact that it was this government that attracted Tiger Airways to Victoria, to operate out of Melbourne, whilst his federal colleagues, who have now thankfully moved into the realm of history, did not do a thing to prevent the long-term favouritism given to Sydney by the national carrier or to ensure that Emirates could get more flights out of Melbourne. So the Liberal Party has no credibility on these issues.

Mr D. Davis — I did argue that against my federal colleagues, and publicly.

Mr PAKULA — Mr Davis, if you argued for it, whether publicly or in internal forums, you were spectacularly unsuccessful.

Moving to the bill: it may sound like a cliché, but the global economy is increasingly dog eat dog. As Victorians we all know the grandeur of this state but in a global sense, neither Melbourne nor Victoria more generally has the profile of Paris, New York, London or Rome. Even in Australia we do not have Sydney's harbour, we do not have Western Australia's minerals, and we do not have Queensland's sunshine — although

increasingly we have more of it than we would like, I suspect. But what it means is that as Victorians, we have to work harder than some other states. We have to be more innovative, we have to promote ourselves and we have to find our points of differentiation. The good news is that we do all those things — and we do them very well.

We have our incredibly successful major events strategy. We have our profile in biotechnology and sciences. We have our growing reputation as a centre for the arts and for sophisticated nightlife, and we have our provincial Victoria strategy. None of that happens by accident. It is a result of keeping your eye on the ball as a state, doing the hard work and creating your own opportunities.

Mr D. Davis — That is why our export performance has slidden.

Mr PAKULA — Our export performance is up, Mr Davis.

Mr D. Davis — No, it is down.

Mr PAKULA — It is up, Mr Davis, but we could have that debate all day, no doubt. This bill folds into the broader government strategy for the state of Victoria. It recognises the new reality that our business interests need to be pursued across a broad front.

Currently the state has 11 government business offices, and the Premier has announced that six of those will be core posts — Tokyo, San Francisco, Shanghai, Bangalore, Dubai and London — and soon there will be a seventh core post in South-East Asia. This bill will enable the government to place this state's trade and investment professionals who represent our interests overseas on an even footing with the agent-general in London, and that post will remain. Victoria has a traditional relationship with Britain, and the denomination of agent-general is not affected by this bill. Our overseas presence is a major investment by the state.

To address one of the issues raised earlier by Philip Davis, our government business offices have contributed almost $9 billion in foreign direct investment and thousands of jobs and visitors to the state over the last seven years. As a result of this legislation those overseas offices will be able to more properly contribute to the whole-of-government approach being taken by this government. They will fold in investment and attract imports and facilitate exports relating to education and business migration. These offices also assist in the coordination of ministerial visits, which, despite Mr Davis's cynicism, are an integral part of this state's efforts to attract investment.

It is important that the network functions optimally. As Mr Davis and other speakers pointed out, a review of the Victorian government's international networks was conducted by Mr Buckingham. Despite the cynicism — —

Mr D. Davis interjected.

Mr PAKULA — I am not going to read the review, Mr Davis. Despite the cynicism, it was an excellent review and Mr Buckingham prepared an excellent report. That report identified reforms of our overseas offices and recommended that the commissioners be statutory appointments, that the appointments be made on merit and that the process be transparent. I might point out that the opposition was never prepared to implement such changes when it was in office. This bill simply gives effect to that process. It creates consistency and certainty around the appointment, status, functions and employment conditions of our overseas representatives. It provides that commissioners can be full time or part time, and based here or overseas. We have already seen the successful model of a commissioner being based here but representing our interests overseas in the appointment of Sir James Gobbo as commissioner for Italy. He is based in Melbourne, but does a great job of promoting our interests and business networks with the state of Italy.

After the commencement of the legislation new commissioners will be appointed by the Premier. They will undertake a similar role to that of the agent-general in London. Police, directorship and bankruptcy checks will be required in the appointment process. Appointments will be subject to the provisions of part 3 of the Public Administration Act 2004, and commissioners will be required to make annual reports. There are also more stringent criteria regarding a commissioner's cessation of office.

Mr D. Davis interjected.

Mr PAKULA — All in all, Mr Davis — —

Mr D. Davis interjected.

The ACTING PRESIDENT (Mr Vogels) — Order! Mr Davis!

Mr PAKULA — The bill enhances accountability and consistency of treatment and widens our field of view as a state. It ensures that Victoria will continue to not just make the most of our international

opportunities but to actually create new opportunities through our endeavour and through our engagement, via the commissioners, with the global community. I commend the bill to the house.

Mr ATKINSON (Eastern Metropolitan) — This is a very important piece of legislation — a far more important piece of legislation than it might well be given credit for by most people. Indeed the future of many of our children and grandchildren and the opportunities they will have rely very heavily on the success of the strategy provided for in this legislation.

The reality is that we face a very challenging future in a global economy in which we face a number of structural and other challenges, some of which were alluded to in the speech made by David Davis. I think he made a number of remarks about our export performance and our particular need to open new doors and gateways to markets. He referred to the European Union, and his remarks were particularly apposite in the context of this legislation and in terms of what I think ought to be a broader debate on Victoria's economic strategies.

I suggest that there are many challenges facing the incoming Rudd government. I take this opportunity to extend congratulations to Kevin Rudd as the new Prime Minister, and to his ministers and party, on a strong election win and on achieving a mandate to tackle a range of issues that I think Australians clearly want addressed. Obviously climate change is one of those significant issues.

What concerned me perhaps about both parties is that I am not sure that some of the debate on some of the economic issues was as substantial as it ought to have been, and that the need for new thinking in some of that debate was ignored. I am particularly concerned about the focus we have on free trade agreements. I believe we ought to be looking at closer economic relations agreements. We ought to be looking at some markets in particular — Japan comes to mind very quickly. We ought to be looking at opportunities to build partnerships with companies and enterprises in Japan to the benefit of Australia. Japan is a country which has a significant market in its own right and respect for intellectual property. It is a market that shares many of the values we have in Victoria and Australia.

I note that one of Victoria's overseas offices is in Tokyo. I was discussing that with the minister a few moments ago. I recently went to Japan, as did a delegation of members from this house. I was struck by a number of things about that country. Perhaps one of the things that struck me more than anything else — and I have been to a lot of places and seen the same, but again it came home with stark reality in Japan — was that as I walked around a plethora of shopping centres and department stores in Japan, I did not see very many Australian products. I saw almost no Australian brands represented. I think we have a real problem if we do not start to penetrate markets like Japan through agreements, such as closer economic relations agreements. We need to start working with them in a number of areas that are in our mutual interest.

This government talks a lot about biotechnology and biomedical enterprises. One of the real concerns that I have about much of our research and development in Australia is that we do not spend anything like the amount we should be spending on research and development. I can understand why companies shy away from doing so, because the major problem we have is that we are not able to commercialise the developments or the scientific breakthroughs that we achieve. We do punch above our weight in terms of innovation and intellectual property and research, but when it comes to actually getting those products to market we are unable to commercialise them.

I read an article not so long ago about the surgeon who did so much of the work in treating the burns of the victims of the Bali bombings. She developed a new process for treating burns, and I am sure that members will be aware of her work. Her company is involved in outstanding, world-first technology, yet it is struggling to survive. Recently it had to merge with another company to try and maintain its capital base to continue with its work. This is world-leading, pioneering stuff!

We have the government talking a lot about its success with the biomedical industry and biotechnology and so forth here in Victoria, but the reality is that we are not getting the benefit of the work we are doing by commercialising those products overseas. It certainly occurs to me that perhaps one of the things we ought to be doing is looking at nations like Japan, where they respect intellectual property rights, have a significant market and where we might well collaborate with them on developing products.

The framework that is established in this legislation would allow that to happen. As I said, this legislation is very important because it provides the opportunity for improving the focus of these offices around the world. One of the real challenges that I think we have with that is to make sure that the network of offices is contemporary, not just in its geography but in its approach to Victoria's interests in the products and services that we might seek to sell overseas or develop

in the collaborations that I have suggested might be available to us in Japan in our biomedical industry.

These offices have to do more than they have done in the past. I think the government recognised that, and it was one of the reasons why it conducted the review and came up with a new framework. To some extent this is enabling legislation. I am sure the government's guidelines and riding instructions, if you like, to the commissioners will go well beyond this legislation and hopefully will address a range of issues in terms of what those offices should do. We have to go beyond just trade shows and the mix-and-match activities that we have had in some of those offices in the past. We have to be a little less territorial and work with other state offices and, indeed, with federal government agencies in the better interests of Victoria. We have to tackle a wider range of issues when we look at those offices and make sure that we are on the right track with some of the other decisions that we make.

One of the things that alarms me about the genetically modified crops decision that the government has made is that it puts at risk Australia's food exports to both Japan and the European Union. I am not sure that we can simply go on compartmentalising decisions and working on the basis that these offices will do a job of work over there but that we are free to make other decisions here and that there will not be a problem. Our relationships and the nature of trade are far more complex than that, and I think we have to do a lot more. I certainly agree very strongly with what Mr Davis said in that we need to see well beyond London as the gateway to Europe. It has always disturbed me that for a country that had skilled migrants who came from so many different countries in Europe, we persisted for so long in seeing the UK as the only way into Europe and that we ignored some of the opportunities that people from Greece, Italy, Holland, Germany and the eastern European states all brought to Australia in terms of opening up gateways into Europe.

We are starting to look at some of those, and I note the work done by Sir James Gobbo in particular, who is an exemplary Victorian and has made a contribution to this state and this nation well beyond the contribution of many of his fellow citizens. I note the work that he is doing in building bridges in Italy. The minister, given his background, would be well aware of a number of the activities that are undertaken by some of the ethnic community chambers of commerce. David Davis and I have both had associations with some of the chambers of commerce representing other countries and have looked at some of the opportunities they provide to showcase our goods and services overseas.

We are at a fairly critical point. One of the real challenges for the Rudd government — clearly not of its making, as it has only just arrived — is that the current account deficit is an alarming statistic for this nation. I notice that in the latest figures that have come out for October there is another $3 billion trade deficit — the highest on record since figures began to be collected in 1971. What concerns me most about this figure and the current account deficit generally is the fact that it is based largely on an economy driven by consumption rather than an economy driven by production. In other words, much of that account deficit is of goods and services that we are consuming at a rate of knots and it is not about bringing in a lot of equipment and so forth to be used in production to make our economy more productive. If it were not for our mineral exports, we would be in real strife. There is a challenge for us at state and federal levels to do a lot more in industry development and industry capability work to try to extend some new thinking to our manufacturing sector and to ensure that we avoid the demise of that manufacturing sector.

Whilst it has been pointed out that a lot of export opportunities may well reside in services, as Philip Davis said, Victoria's share of service exports is actually below the world average. When I go to places like India and when I look at places like China and other countries around the world, I think to myself, 'It is all very well for us to say that we want to sell services and that we are part of the knowledge economy, but who wants to buy our knowledge and our services?'. When you look at countries like India and China their development of their service sector — their tertiary sector — is very well advanced and in many cases much further advanced and much more innovative than ours. There are some real challenges for us in that respect.

We need the offices that will be enabled by this legislation to play a much stronger role in identifying opportunities for Victorian exports overseas. We need them to play a much stronger role in identifying opportunities for collaboration with overseas countries to advance, develop and commercialise our intellectual property to provide much greater advantage to Victoria. We also need them to promote other alliances that might provide import opportunities for us as well. But clearly my focus as an individual at this time is more on trying to address that current account deficit by improving our export performance.

We can indulge in semantics and we can play around with the statistics in talking about whether we think it is good or whether we think it is bad, but the reality is that we are underperforming and the forecast going forward

is not as rosy as some would have it, because if you extract the mining sector performance out of the figures, you become a little bit more passive in your enthusiasm for our export performance. The prolonged drought has clearly hit many of our agricultural products, but the reality is that again, if we are to accept some of the predictions on climate change, it is very likely that our agricultural production exports might well be impacted on for many years to come in one way or another.

We need to look very much at services. I agree with David Davis that education was seen as one of our major export opportunities in services, and at a point we were bringing in many students, particularly from China. The news today is that China is building its own universities and is not sending students overseas so much any more. Indeed I was offered, and I think also other members here have possibly been offered, an opportunity to go to China for three months simply to sit in university lounges and talk to Chinese students to improve their English, because it was seen as a cheaper option for China to have people go there and to develop their own education facilities rather than to use ours and advance an export opportunity for us.

The world is complex in terms of trade, and the changes made by the government to the offices that have been established by the state of Victoria, in a way that I think will be positive, mean that the offices have a very important role. As I said, this is quite important legislation. It is far more important than many of the other things to come before the house, because to a considerable extent it talks about the framework for Victoria's economic future.

I commend this bill to the house. This is important and good legislation. The direction of the amendment proposed by the opposition is good in terms of ensuring that we have greater transparency and accountability, and an understanding of the sort of work and the issues that are associated with these offices. I look forward to having some very high-calibre people appointed to the commissioner roles going forward. Certainly we have had some very capable people involved historically, but under this new structure I look forward to very high-calibre people going forward, because we certainly need people of high calibre in the interests of Victoria.

Mr VINEY (Eastern Victoria) — As Mr Atkinson just said, this is quite important legislation. It is a means of enabling Victoria to continue the great work it has been doing in promoting our business in international markets. That has been done through a range of means but in particular through the Victorian government business offices that are scattered around the world. It is important to ensure that these offices have people leading them who are of the highest calibre and who have a thorough understanding of their role.

This legislation comes out of the Buckingham review. I was struck by David Davis's gratuitous criticism of that review and in particular by his criticism of the person who undertook it as being a Labor mate. It is interesting to hear a former chief executive officer of the Business Council of Australia described as a Labor mate. I was actually thinking it is interesting that you could even describe the new leader of the federal opposition, a former member of the Labor Party, as a Labor mate. I am not sure where the extension of Labor mates goes, but it appears that anyone who does something for the Victorian government is a Labor mate.

More importantly, let us look at what the review said and found and at what the government is doing about it. The review found that these business offices provide a significant role. We have seen over the 2006–07 year, for example, that 359 Victorian companies participated in industry capability missions. It appears that in that year there was an increase in exports of some $238.7 million as a result of work done at trade fairs and missions.

I take up the points Mr Atkinson made in relation to the trade deficit in Australia. I find it interesting that for the first time in 11 years I have actually heard a Liberal member talking about the balance of trade. I remember well that prior to those 11 years the federal Liberal Party used the tactic of a debt truck running around the country. That quickly got buried when it came to government, and we now find the trade deficit is worse than the one that it inherited when it came to government. I concur with Mr Atkinson that it is an issue. It is something that the Victorian government has been working hard at, through the Victorian government business offices, the Department of Innovation, Industry and Regional Development and the active work of the Premier in both his role now as Premier and his previous role as Treasurer and Minister for Innovation. I know that the Premier has been very concerned about promoting Victoria's exports and pushing Victoria's business performance, and this legislation is about continuing that commitment by the Victorian government to make sure that we continue to take Victoria forward.

The only way to do so in international trade is to be out there in the marketplace and promoting Victorian business to the world. Whereas once the positions of agent-general and the commissioners may have involved ceremonial roles, that is not the case now.

They may have small ceremonial roles, but there is a significant amount of business. The role of the agent-general and the commissioners is about promoting Victoria's business interests and international trade, and I commend the bill to the house.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Mr P. DAVIS (Eastern Victoria) — I want to reinforce the point that has been made by the opposition during the course of the debate — that while we broadly support the bill, we do so with hesitation in that there is significant authority resting in the government to create an extended network of statutory office-holders, who will be referred to or known as commissioners. While those statutory appointees will be agents of the Victorian government who will work within a clearly specified brief and will have targets and benchmarks, we are concerned that there is no limitation on the extent of this network of commissioners to be appointed.

I say a little facetiously it is possible that eventually — and I am not making any accusation about the current government or the alternative government — the agents known as commissioners, which will be appointed to the offices that have been created around the world, will be much larger in number. It is of concern that the act will afford the government of the day that capacity.

What we are seeking to achieve is a clearer or a higher level of transparency. That is led in part by a natural apprehension about the scope of this bill but also in particular by the comments most recently made in the Victorian Auditor-General's report of November 2007, called *Parliamentary Appropriations — Output Measures*, which makes a number of comments that are clearly critical of the transparency and accountability of the department which is going to be responsible for the administration of these arrangements for the agent-general and the commissioners.

I think I may have said enough, but I wish to raise some issues on which the minister may wish to respond. I wish to flag that during the debate on clause 10 I will move an amendment, which has been previously circulated. It would be helpful in consideration of that if the minister were to respond to the issues which I will raise in a moment.

I have to inform the house that there has been some discussion between the government and the opposition, and it is possible that a compromise may be achieved. But before getting to that point, I would like to hear the minister's further comments particularly in relation to the following matters.

Will the government seek to implement the recommendations of the latest Auditor-General's report, *Parliamentary Appropriations — Output Measures*, with respect to the Victorian Government Business Office network, such as to provide more detailed explanations of significant and material variations between actual output performance and published targets; provide an assurance on the completeness and accuracy of its output performance data, including an independent validation of information management systems and associated controls; ensure that the Department of Innovation, Industry and Regional Development (DIIRD) schedule the periodic review of its output costing methodologies for compliance with the Department of Treasury and Finance guidelines, including the attribution of direct and indirect costs to outputs and the annual costs of outputs to determine the extent to which they reflect the full accrual cost of service delivery with particular emphasis on whether the quantity measures reflect the full range of services delivered through that output; and ensure that the disclosure of actual output performance and the departmental annual reports be accompanied by an assessment of the extent to which output delivery has contributed to the achievement of departmental objectives and government outcomes?

The Auditor-General's report notes that there is a need to improve the quality of information contained in state budget paper 3. As an example, the Auditor-General notes that DIIRD's 'exports facilitated and imports replaced' output measure has three discrete components that make up its $689 million target for 2006–07. One component relates to the import replacement and the other two relate to export facilitation. The explanatory notes do not explain the three components.

Will the government seek to improve the explanatory notes in line with the Auditor-General's recommendation? If not, why not? Will the government consider developing a benefits index for the Victorian Government Business Office network for both outputs which measure the ratio — —

The DEPUTY PRESIDENT — Order! Does Mr Davis want responses to these questions?

Mr P. DAVIS — I am just giving the opportunity for the minister to make a general response to these issues, which I understand he is prepared to give.

The DEPUTY PRESIDENT — Order! The problem, if Mr Davis wants responses, is that there are so many questions — and they are significant questions.

Mr P. DAVIS — I understand. Will the government consider developing a benefits index for the Victorian Government Business Office network for both outputs which measure the ratio of total economic benefits generated under each output to the total cost of each output in line with the Auditor-General's recommendations? And, again, if not, why not?

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I gather that Mr Davis is talking about the Auditor-General's latest report and not the one from a couple of years ago, which has a number of recommendations incorporated in it.

Mr P. Davis — Yes.

Hon. T. C. THEOPHANOUS — To be honest, I am trying to get from the department some advice. As you understand, normally what happens with these kinds of Auditor-General's reports is that a series of recommendations is made by the Auditor-General, and Mr Davis has read out a number of them. Then the department responds formally as to which of those recommendations are accepted in full, accepted in part or rejected — I think they are usually the three categories.

As the minister in this area, my general inclination is to accept the Auditor-General's report and his recommendations unless there is very good reason not to. I do not know of any recommendation which the department has specifically said will be a problem for it. I have asked to get some advice on it, and I will try to get that advice to Mr Davis before the conclusion of this debate so as to try to satisfy the concerns he has.

I again reiterate that my genuine inclination is to accept the recommendations of the Auditor-General. As a minister I would need a very good reason why I would not accept a recommendation of the Auditor-General, and even in the case where the department decided it was not appropriate I think there should be further discussion with the Auditor-General in order for him to understand, and if possible agree with, the reasons as to why a particular piece of information had some difficulties associated with it. My general response to Philip Davis is yes, but I will get further information as it comes through.

Mr P. DAVIS (Eastern Victoria) — I will not pursue the detail of these particular questions in relation to the Auditor-General's recommendations, because I think they stand, and I look forward to a more detailed response as and when it is available. I wish to raise the issue further more generally at this point as to what it is that he is prepared to propose by way of clearer accountability with respect to the reporting by the department regarding the role of commissioners and the discharge of their functions.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I will make a more general statement before I specifically answer the question from the Leader of the Opposition. My more general statement is that I believe both the opposition and the government are at one in wanting our overseas offices to work effectively and to deliver. Despite the banter that might go on from time to time I am absolutely certain that the Leader of the Opposition is someone who wants to see our export performance improved, as I do; that he is someone who wants to see the Victorian economy continue to grow, as I do; and that he is someone who sees the importance of overseas offices as critical to that function.

I assure Mr Davis and the opposition that certainly during the time of my watch I will carry out my duties with respect to overseas offices in as open and transparent a way as I can. They need to be accountable, and part of the reason for the report in the first place was to make them more accountable, more focused and more able to deliver on those primary objectives that we have.

There is some relevance and importance that members may have regarding the type of vehicle that is purchased by the London office of the agent-general — whether it is an Audi or another vehicle. I can see why people might get excited about that. To be honest, I get much more excited about whether the London office is delivering. What I mean by delivering is are we getting investment? Is it actually helping us generate investment in Victoria and/or export earnings? They are the two areas of concern. We have tried to focus on export earnings as we go forward in relation to these overseas offices. I think there was more of a focus on investment attraction, which is important, but the specific purpose behind the Premier appointing a minister for trade was to do more with exports and export earnings. That is why, notwithstanding the arguments about whether they have gone up and on whose watch, which I do not really want to get into, I will focus in the future on increasing our exports — and I can assure members that that will be a difficult task.

In reading the debate in the other place I was a bit surprised and disappointed with some of the comments being made about individuals and about who was going to be appointed to various positions in these overseas offices. That is not the way in which we have operated overseas offices. People like David Buckingham were appointed on the basis that they were people of ability. The Leader of the Opposition recognises that. I understand that whenever government or opposition members have made visits to London, the agent-general has put an equal amount of effort into looking after both sides. He has also put in an enormous amount of effort to try to increase and generate more trade out of that theatre.

Finally, I know people talk a lot about China in our focus, but it depends on how you measure these things. China is Victoria's no. 1 trading partner, but it is only our no. 1 trading partner if you treat the states in the European Union as separate entities. We do not do that for the United States of America, but we do that for the EU. If you take the European Union as one united entity, Australia's largest trading partner by a long shot is still the EU. That means the role the London office plays as the central core office is critical as to how we improve that position in the future.

I understand why people want to have additional information and transparency. I have no difficulty with that, even the little things that we may have with *Herald Sun*-type one-day hits on either side, because they are things that people do. The things that really count in the end are the numbers and the figures that the Leader of the Opposition and I read out in relation to export earnings and investment attraction, and by how much it has improved and by how much we are getting. That is really what these offices are there for. I am measuring them against those figures, and I need to be able to do that through how they report to us.

I discussed with the Leader of the Opposition, and with other members, including the Greens, what I wanted to say about increased accountability, and I am happy to do that now just to prepare the way rather than have too much of a debate when we come to the clause itself. So I make the following statement. As minister, I recognise the need for members and the community to have access to information about the operations of government departments. Departments have an obligation to collate information and provide annual reports which include information about their objectives and the outcomes of their activities. It is important that departments report transparently on such activities, and in order to ensure that even more information is provided in this important area of the activities of our overseas offices, I make the following further commitments on behalf of the government.

As minister, I commit to ensuring that the Department of Innovation, Industry and Regional Development will provide a delineated section within the annual report which will deal with the operations of the overseas offices and provide information on their activities, their objectives and the outcomes of those activities. I might say, to add to that, that the opposition's amendment and the amendment which I intend to move to the amendment moved by the opposition, will actually facilitate that taking place, because it will mean a section of the report will deal specifically with that and with the reports as collated from the overseas offices. I also can assure members of the house that I will ensure that the department deals expeditiously with FOI (freedom of information) requests or questions on notice seeking further information beyond that which will be provided in the annual report.

In a discussion I had with the Greens in relation to this, the issue was brought up of how quickly questions on notice are answered by ministers. I make a distinction here between questions I am responsible for directly — which are in my portfolio, and about which I have given this undertaking — and questions relating to other portfolio areas, which I use my best endeavours to get answers for but which I cannot take direct responsibility for and do not in respect of the commitment I just gave. However, this particular area falls within my portfolio responsibilities, and as such the commitment I have given is valid in that aspect. I might stop now, and members may want to make further comments.

Ms HARTLAND (Western Metropolitan) — I thank the minister for giving that assurance. The problem the Greens have with questions on notice and FOI is that currently the system appears to be failing. I have received a number of answers to questions today that dated back to May. The minister may be able to assure us that he will deal with questions promptly, but I would also like to think that other departments could be dealing with questions much more promptly as well. In 20 years as a community activist, I have never found FOI to be particularly successful.

Mr P. DAVIS (Eastern Victoria) — While the minister is collecting his thoughts in response, I would like to make the comment that subject to any further comment on clause 1 by the minister, I am generally satisfied about the direction that this committee stage is taking and that during debate on clause 10 we intend to move our amendment and, subject to considering the detail of what the minister will then propose, we may

have broad agreement in the committee. But I did just want to conclude by saying that one of the reasons we are concerned about transparency is because of the Buckingham report's deafening silence on — that is, the omission from it of — what I would describe broadly as a cost-benefit analysis.

It is fine to make rhetorical statements about how important these overseas offices are, but there is no empirical evidence as such that leads you to conclude that they are adding significant value other than being extremely useful when ministers are taking trips around the world. I well understand that those are very important for reciprocity in trade relationships, but beyond that there is not a lot of evidence about the relevant effort that is put in and the outcomes of that effort. That has led us to conclude that it would be good for the Parliament and for the government if there were a point at which there had to be accountability — but I will leave the rest for the debate on clause 10.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I thank the Leader of the Opposition for the positive way in which he is dealing with this committee debate. The advice that I have from the department is that the Auditor-General's recent report had really only been critical about some aspects of the China office and that that is being addressed. In relation to other issues that have been raised, I think the best way to approach this would be that I make a general comment saying that the department would normally accept the recommendations of the Auditor-General. If there were any recommendation which the department did not want to accept, a discussion would take place with the Auditor-General as to the reasons why that was the case.

Further to that, I am prepared to brief the Leader of the Opposition as to what the reasons for the non-acceptance of that particular Auditor-General's recommendation are. But as I said to the Leader of the Opposition right at the beginning, I am very reluctant to not accept any recommendation that the Auditor-General might make on any aspect. Having said that, I say to the Leader of the Opposition that I am also now, and have always been, concerned about accountability. It is not really about rhetorical statements — that is true — because at the end of the day that is not really what will count.

I cite another example that might help Mr Davis to understand the issue. We conduct a number of what you might call overseas missions — and incidentally, members might know that the recent trip I took included an overseas mission to Greece. These overseas missions have what I consider to be a strong reporting structure. First of all, we know how many companies went to Greece and what meetings were arranged. As a matter of course we track the success of the mission in terms of how many deals were signed and how many agreements were made — how much business was done — as a result of that mission going overseas. We have that kind of system in place for missions. Obviously the Victorian government business offices (VGBOs) assist in organising these things.

Trying to work out how much credit you give to the VGBO and how much you give to the department back here, which may have organised the mission, is a complicated accounting issue. All I can say is that I absolutely concur with the Leader of the Opposition that the overseas offices need to be accountable in terms of actual outcomes and that those outcomes have to be some way measurable. That is the direction I want to take them in.

The DEPUTY PRESIDENT — Order! Clause 1 is obviously about the purposes of the bill. I have been fairly lenient in allowing wide-ranging discussion by both the Leader of the Opposition and the minister in this regard with a view to expediting the amendments relating to subsequent clauses. I hope we will not revisit the sort of contributions to debate that have already been made, because as I said, I have been fairly lenient in the interests of accommodating this legislation for all parties in the house.

Clause agreed to; clauses 2 to 9 agreed to.

Clause 10

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

Clause 10, after line 6 insert—

> "( ) The Minister must cause each report submitted under subsection (1) to be included in the relevant annual report of operations of the Department of Innovation, Industry and Regional Development under Part 7 of the **Financial Management Act 1994.**".

In so doing I point to clause 10, which relates to the requirement for the submission to the minister of a report on the performance of the functions of a commissioner in relation to the reporting year ending 30 June. Naturally we support the clause, but we think it could be improved — this comes to the issue of accountability — by a further amendment to the bill to insert at the end of that clause a requirement to include the relevant commissioner's report in the annual report of the operations of the relevant department, which in this case is the Department of Innovation, Industry and Regional Development. That would enable the

government, the Parliament and the public to have a better appreciation of the activities, performance and functions of and the discharge of those functions by commissioners. Given that we have had extensive discussions about these issues of principle, I see consideration of clause 10 to be essentially a machinery issue, and I will not discuss it further.

The DEPUTY PRESIDENT — Order! Both Mr Davis, in moving the amendment formally, and the minister, in his earlier remarks, indicated there had been discussions between the parties on a possible accommodation in terms of an amendment to this clause that would be acceptable. In that context I call on the minister to formally move his amendment, which is an amendment to the amendment that has been moved by Mr Davis and which I understand represents the discussions that have been held.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I move:

> Omit all words after "be" and insert "consolidated in the relevant annual report of operations of the Department of Innovation, Industry and Regional Development.".".

This amendment would change the original amendment moved by Mr Davis so that his amendment would now read:

> … the Minister must cause each report submitted under subsection (1) to be consolidated in the relevant annual report of operations of the Department of Innovation, Industry and Regional Development.

I might say that I have also given an undertaking that there will be a delineated section within the annual report that will provide this information from the relevant overseas offices. It is on that basis, and following the discussions with the Leader of the Opposition, that I move my amendment.

Ms HARTLAND (Western Metropolitan) — These two amendments seem very similar. I want to understand how they are different.

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — The amendment I am moving to the amendment of Mr Davis would essentially have the effect of allowing the department to produce a consolidated report of the operations of the 11 Victorian government business offices rather than each report having to be separate. This allows the department a little bit more flexibility, but it will be done within the context of a delineated section within the annual report. This decision was arrived at as a compromise following a discussion with the opposition.

Mr P. DAVIS (Eastern Victoria) — On the basis of what the minister has proposed, I observe that my preference was that he enthusiastically acclaim my amendment. However, bearing in mind that sometimes a compromise leads to an outcome that everyone can live with, my view is that this is a small step in the right direction. Therefore I am prepared to accept, and therefore support, the minister's amendment.

Mr Theophanous's amendment agreed to; amended amendment agreed to; amended clause agreed to; clauses 11 to 17 agreed to.

Reported to house with amendment.

Report adopted.

Third reading

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I move:

> That the bill be now read a third time.

In doing so I thank honourable members for their contributions to both the second-reading debate and the committee stage of the bill.

Motion agreed to.

Read third time.

VICTORIAN WORKERS' WAGES PROTECTION BILL

Second reading

Debate resumed from 20 November; motion of Hon. T. C. THEOPHANOUS (Minister for Industry and Trade).

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I am pleased to rise this afternoon to speak on the Victorian Workers' Wages Protection Bill 2007. It is one of those bills dreamt up by the Minister for Industrial Relations in the other place — —

Mr Finn interjected.

Mr RICH-PHILLIPS — With the help of Mr Finn! That is not in the terms of this bill, because I can confidently say there is nothing in this bill which would be dreamt up by Mr Finn.

This bill is one of the pieces of legislation which the Minister for Industrial Relations, who is also the Attorney-General, likes to introduce from time to time to push his political arguments. Let us be very clear:

that is all this bill is about. The Minister for Industrial Relations is prosecuting a political argument. The bill was introduced in the other place so that the minister could have a whack at the outgoing federal Liberal government.

You only have to read the first two paragraphs of the second-reading speech to see the rhetoric espoused by the Minister for Industrial Relations. He uses the second-reading speech of this bill to attack the former federal government and to attack the entire federal industrial relations regime. Clearly that is the reason why we are seeing this bill in this Parliament.

I have to say that the provisions of this bill are quite ridiculous; it is one of the most absurd pieces of legislation that has been introduced in this house in eight years. It is typical of some of the bills introduced by the Minister for Industrial Relations. I note that the bill has changed since it was introduced in the other place as a consequence of the work of the shadow Minister for Industrial Relations, Robert Clark, in the other place. He found a significant and fundamental flaw in this bill as introduced by the Minister for Industrial Relations — and I will come to the detail of that shortly.

That typifies the way in which the minister treats this Parliament. He treats it with contempt and uses it as his political plaything to introduce legislation to make whatever political point he chooses on a particular day without having any regard to the impact of the legislation he brings in or indeed the failings of the legislation he brings in, as demonstrated by this bill today, which has had to have a significant round of government amendments introduced in the other place to make it even slightly workable. The provisions of this bill, as originally drafted and as originally introduced in the other place, required that wages paid to workers be paid in cash unless the employee had given written authorisation to the employer to be paid by cheque, postal order, money order or deposit to a financial institution, which of course is the most common form of payment in the 21st century.

The bill prohibits the deduction from wages by an employer unless written authorisation has been provided by the employee and requires that the deduction be in compliance with the act, because there are certain provisions in the act which make deduction from a pay packet a contravention of the act, irrespective of whether the employee has authorised that deduction. If the deduction is deemed to be for the benefit of the employer or a related party of the employer, the employer must give full written details to the employee before they make the written authorisation as required under the act. If the nature of the deduction that will be made from an employee's pay packet is deemed unreasonable as defined by the legislation, then that deduction and any authorisation for that deduction will be void.

Irrespective of any agreement that may have been reached between an employee and their employer to allow for certain deductions, if the Minister for Industrial Relations, through the provisions of this bill, does not like it, then it is void. It is an example of the nanny state of this government that the minister believes he has the right to unilaterally intervene in the relationship between employers and employees, irrespective of any agreement that the individual employee and their employer may have reached. The view of the Minister for Industrial Relations is that he has superior wisdom to any mere employee in this state, and accordingly he is introducing legislation that will simply override the wishes of the employee and the employer.

Mr Finn — It is Big Brother.

Mr RICH-PHILLIPS — It is Big Brother, Mr Finn, and it is typical of the Minister for Industrial Relations. A further provision of the bill relates to the payment of employment service fees where the employee has been employed on a class 457 employment visa — that is, an employee who has been recruited from overseas to fill a specific role. Usually when that process is undertaken there are fees associated with that which are paid by the employer. This bill provides that those fees cannot be deducted from the wages of the employee who is recruited under that visa scheme.

Then the bill gets really interesting, because what the Minister for Industrial Relations has done is insert a range of civil penalty provisions which allow for an employee, their union representative or the government — either the minister or a secretary of the department empowered by the minister — to take action against an employer in accordance with the provisions of this bill whereby if the employee, the union, or the minister or their delegate believes a provision of the legislation has been breached, either as to the payment of wages or as to deductions from wages, they can take action in a court to have a civil penalty of up to $10 000 imposed.

The bill also allows that court, in imposing a civil penalty, to direct where that penalty is paid to. Unlike in an ordinary criminal proceeding, where if an employer — to use the example of WorkCover — is fined for an occupational health and safety breach, that

fine goes to consolidated revenue, as does all fine revenue in the state, under this bill the court will be empowered to direct where that civil penalty goes. It could go to the employee or it could go to a representative organisation such as a union. You could have a union bringing an action under this bill and a court directing that the fine be paid to the union. It is an extraordinary provision that the Minister for Industrial Relations has put in this bill.

As I said, this bill is entirely about a political agenda for the Minister for Industrial Relations. He has spent the last three years hammering the former commonwealth government on industrial relations and, in the last year in particular, introducing nonsense legislation in this place to prosecute his case, and this is just the latest example of it.

I say at the outset that the Liberal Party will oppose this legislation, and there are a couple of reasons for that. The first is the fundamental error that existed in this bill when it was introduced in the other place. That fundamental error was contained in part 2 of the bill, which is titled 'Deductions and payment of wages'. Clause 6 is headed 'Method of payment of wages', and subclause (2) of clause 6 of the bill as introduced in the other place required that:

> An employer must pay an employee's wages to the employee—
>
> (a) in cash.

So we had an absurd situation with the Minister for Industrial Relations introducing into this Parliament a bill that required every employee in the state to be paid in cash. Let us be under no illusion as to what that meant. The departmental officers were very clear at the briefings that 'cash' meant notes and coins. If this bill were to pass in unamended form, every employee in Victoria would be entitled to be paid in notes and coins. We would have an extraordinary change in the way in which payrolls are handled in this state. We would be reverting back to the scenario that existed in the 1970s and 1980s of employers being required to physically make up pay packets and have cash deliveries made by armoured cars to individual workplaces, and of the administrative staff of every business being required to physically place cash, notes and coins in envelopes and then distribute those to the employees.

Under the bill introduced in the other place, it was only with the express written approval of every individual employee that an employer could pay through an alternate method such as by cheque or through the more common practice today of electronic funds transfer. It is absolutely beyond belief that this government proposed to introduce legislation that required every business in the state that employs people to revert back to a cash-handling system. Even if only one employee in any given business decided they wanted cash, the employer would have had to accommodate them.

They would have had to set up a cash-handling system to accommodate paying the wages of that individual employee who chose to take their salary as notes and coins. It demonstrates just how out of touch the government is with modern business practices in this state. To expect that every employer would be in a position to establish a cash-handling system so that notes and coins could be paid to every employee, unless they had explicitly given permission to the contrary, was just absurd. It would have meant that every employer would have had to retrospectively seek and obtain the permission of their employees. Major companies in this state, which employ tens of thousands of people, would have had to spend the next six months obtaining written authorisation from all their employees to continue paying them through electronic funds transfer.

That is a demonstration of the absurdity of this legislation, which the Minister for Industrial Relations thought was appropriate for introduction in this state in 2007. That point was highlighted and prosecuted very capably by the shadow Attorney-General in the other place, Mr Clark.

It is interesting to note the government's response, because you will not find in the record of the debate of this bill in the other place any commentary on the requirement that wages be paid in cash. The government speaker on the bill in the other place made no reference to that fundamental flaw in the bill, but the government had a junior minister — not the minister responsible for this bill in that house but the Minister for Mental Health in the other place — bring in a raft of government amendments to the bill.

Because of the way in which the other chamber operates, those amendments were never explained or moved by the minister. If you go through the *Hansard* of the debate in the other place you will find that no government speaker — certainly no minister and certainly not the Minister for Industrial Relations — stood up and talked about the government amendments to this bill. What happened was that a junior minister introduced a raft of amendments — I think 9 or 10 in all — but as is the practice in the other place, the bill was subjected to the guillotine at 4 o'clock on the Thursday. The debate was stopped and the bill — along with the 9 or 10 government amendments — was passed without further debate.

Without a word of explanation from the government, through the Minister for Industrial Relations, who was responsible for this mess, fundamental changes were made to the bill when the guillotine was applied but without commentary in the house and without an explanation from the government. Without debate the bill was passed with a division at the guillotine stage in the Assembly at 4 o'clock on a Thursday.

Therefore the bill that has arrived in this house is substantially different to that which was introduced in the other place. The absurd requirement that employers be required to pay cash notes and coins to their employees has been removed, but that has been done without any explanation from this government. It has been done without any concession by the Minister for Industrial Relations that yet again he got it wrong.

In introducing this legislation — a little ideological hobby horse of his — he completely put at risk the basis of employee payment and the way in which systems employers operate in this state. In his rush to have a bill in this Parliament so he could have a whack at the outgoing federal government, he introduced fundamentally flawed legislation and did not even have the courage to go into the other place, admit his mistake and make the correction properly. He had a junior minister bring it in on the death knell at 4 o'clock, and the amendments went through without debate, without consideration by the house, so that we now have a bill in this place which does not contain that fundamental flaw.

As I said earlier, the Liberal Party opposes this bill — and that situation in the other place is one of the reasons the Liberal Party is opposing the legislation. Another reason is the lip service the government pays to the issue of a unitary system of industrial relations in this country. We had the fundamental referral of industrial relations powers in Victoria to the commonwealth a decade ago. Since then we have heard this government and this Minister for Industrial Relations say, 'We support a unitary system, but the commonwealth government is messing it up with WorkChoices. It is leaving people unprotected', which of course is a load of nonsense, 'and therefore the Minister for Industrial Relations, the white knight, has to charge in and introduce Victoria-specific legislation that will protect Victorian workers'.

That was the crux of the argument behind this bill, and that is why the Minister for Industrial Relations brought in this bill with these ridiculous provisions. It was a stalking horse for the minister to argue yet again that, 'WorkChoices is bad, and we will fix it up. We will protect people in Victoria by having our own unique system'. That is exactly what this bill is. It is yet a further unique impost on Victorian employers at a time when we should be seeking harmonisation in employment legislation across the country. This absurd and pointless proposal has been brought forward by the government simply to run an ideological line.

It seems the Minister for Industrial Relations is quite happy to use pieces of legislation like this as his own little political hobby horse. He does not give a damn whether it impacts upon employers in this state or whether it is an impediment to employment in this state. It gives him the opportunity to come into this Parliament with a little bill like this and deliver an ideological second-reading speech, as we saw happen in the other place, with no regard for the impact it has on this state.

The Liberal Party will not indulge him in supporting this bill. If the government were serious about its commitment to a unitary system of industrial relations, it would not proceed with this bill. For 18 months to two years the Victorian government has been highly critical of the previous commonwealth government and its industrial relations position, but as of yesterday it has what it wants in Canberra, with a federal government of the same political colour, and we can only assume that by proceeding with this bill today, and with another bill that is scheduled for debate later this week, the government is saying it does not believe the new federal government is going to deliver on industrial relations.

If this Victorian government was genuinely committed to a unitary system of industrial relations, and to harmonisation across states and territories, it would not proceed with this bill, but wait until the commonwealth government and the new commonwealth industrial relations minister had introduced her legislation, which will of course apply nationwide. Yet this bill will proceed today and will impose a layer of regulation on the relationship between employers and employees. It will intervene in that relationship, not to any benefit for either party. It will just create further red tape for the employer-employee relationship in this state. It is unique to Victoria. It is an impost that applies only to Victorian employers. It is out of step with the rest of the states and territories. It is inconsistent with a claim that the government supports a unitary system.

The Liberal Party believes that this bill is mere window-dressing for the indulgence of the Minister for Industrial Relations. It does not achieve anything in terms of promoting the relationship between employers and employees. It will be opposed by the Liberal Party, and we urge the Victorian government to withdraw this

bill if it is committed to a unitary system of industrial relations; it should await the federal government's industrial relations package.

Mr DRUM (Northern Victoria) — I am somewhat surprised that the government is still interested in this bill. I thought it had already served its purpose. I thought there was no doubt that the underlying drivers for the bill's introduction were solely about giving the Minister for Industrial Relations the opportunity to whack the federal government and enabling the government to take six months off from governing for Victoria so that its members could spend some time belting the Howard federal government to make some points and to try to convince Victorians that this legislation was somehow necessary in order for them to be able to receive their pay packets. There was a lot of scaremongering going on. The Bracks and Brumby governments have taken considerable time off from governing Victoria just so they could play this little game.

Mr Rich-Phillips was 100 per cent right when he said the government has been playing games. Some of the language used in the second-reading speech and in the debate in the other house is quite misleading. We must remember that back in 1996 it was the then Kennett government that actually ceded its industrial relations powers over to the commonwealth. But at that time Jeff Kennett had bipartisan support. The member for Williamstown at that stage, the former Premier — he was not Premier in 1996 — spoke on the bill when the Kennett government referred its powers across to the commonwealth. He said, 'This state will do whatever it takes to get rid of these rotten state laws so that we can go towards a more unilateral approach'.

Ms Pulford interjected.

Mr DRUM — The words the former Premier used in 1996 were:

> … the opposition will do anything to get Victorian workers out of the rotten state system …

The whole concept of removing these powers from Victorian control and handing them over to the commonwealth was that we could remove the unnecessary layer of duplication that was then in place. That is what it was all about. When that legislation was going through the Premier of New South Wales, Bob Carr, spoke about it and said he would become an ambassador for these powers going to the commonwealth because he believed it was simply the way to go. He often said he would go out and advocate for a unitary system of industrial relations because he did not want to see all the unnecessary layers of duplication.

But back then, when all this happened, some safeguards were put in place — and it is worth remembering that. The first was that no employee would be worse off or disadvantaged under this referral of powers. That was one safeguard. The second was that the existing arrangements would continue unless both the employee and employer chose to do otherwise. The most important point was that Victoria had always had the right, and at that stage it maintained the right, to take back the powers it had ceded to the commonwealth. Right throughout the whole of the last 11 years the Victorian government has had the ability to take back industrial relations powers and make decisions on its own, if it wanted to do so.

The Labor Party in opposition said it wanted to get rid of the rotten state laws and was happy to refer the powers to the commonwealth, yet in the time it has been in government it has introduced amendments to some 12 different acts of Parliament, the result of which has been to in effect recreate the exact layer of duplication and border anomalies that we tried so hard to get rid of in the first place.

We have continually reminded the government that right throughout the Bracks and Brumby era the government has had the ability to withdraw the powers referred to the commonwealth. So throughout all the whingeing and whining that has been going on this government has always had the power to take back control of the IR (industrial relations) laws, but it has refused to do that. Throughout the IR debate over the last few years the Bracks and the Brumby governments have been quite keen to see the federal government make all those tough decisions on IR and to see all the changes it has made. The Victorian government has been able to just sit back and reap the economic benefit that has resulted from all those tough decisions. It has enabled the Victorian government to sit back and throw mud at the Howard government for what it has done with the IR laws while knowing all along that if things were so bad, it always had the constitutional ability to bring those IR powers back into the realm of the state of Victoria.

The Nationals will not be supporting this legislation. We will oppose it. The arrogance of this government is laughable, particularly when you look at clause 6 in part 2, of the bill. If you read the *Hansard* record of the debate in the Assembly, you will see the report of the conversation the member for Swan Hill, Peter Walsh, had with Mr Hudson, the member for Bentleigh. They were talking about the relationship between employers

and employees. Mr Walsh was in effect saying that the majority of employers are decent, hardworking bosses who realise that you need to maintain quality staff, that you have to have them trained and that you have to hang on to them. The retort that came back from the government side of the chamber was, 'No, they are not. The decent bosses, the decent employers, are in the minority. There are not many of them out there'. The argument went back and forth. Peter Walsh was saying — —

Ms Pulford interjected.

Mr DRUM — I am quoting from *Hansard.* Ms Pulford can look at *Hansard*, where she will see the retort from the member for Bentleigh was, 'No, it is the minority that treat their people well'. Members opposite should go and look for themselves. It is there in black and white, and they can read it for themselves. But it does go to show why a government would move to bring in some of these rules. The bill I have been looking at all the way through refers to being paid in cash for your work. For this government to think you have to have your — —

Ms Pulford interjected.

The DEPUTY PRESIDENT — Order! I notice that Ms Pulford is not on the list of speakers — and we do not have duets. Mr Drum, to continue without assistance.

Mr DRUM — The default position of this bill, as it was introduced in the Assembly, was that unless some form had been signed this ridiculous government was going to insist that payment be made in cash to workers throughout Victoria.

Mr Vogels — Can I have mine in cash?

Mr DRUM — As Mr Vogels says, who also works in his office at Warrnambool, unless he signed a document he would need somebody from the government to drive down there and deliver his pay in cash! That is the bill that this ridiculous government brought to the house. Mr Rich-Phillips talked about the absolutely arrogant way the government behaved when it realised it had made a mistake. It came in here and slipped through an amendment that government members did not even talk to. I find it bewildering that it would act in such a fashion. We all make mistakes. I think it says something about an individual who is quite happy to stand up and every now and again and acknowledge that they got something wrong. But this government will not do that. That says something about government members as an entity, as a group. They just refuse to acknowledge that they get things wrong. There is no humility about them at all. Eventually it will come back and hurt them, because in a very simple but ridiculous aspect of this bill they are seen to be wrong, and yet they refuse to acknowledge they have made those mistakes.

I turn to another aspect of the bill The Nationals do not support. When these orders are made, a union or an employee will be able to go into a business house and force proceedings against an employer, and if findings are made against an employer, situations will arise in which moneys raised through fines will be directed to unions. That is an absurd feature of this legislation; we cannot agree to unions being able to bring actions against employers so that fines can become part of union finances. The Nationals will be supporting a unitary system of industrial relations, which this bill does not provide. The Nationals will not support a system in which fines can find their way into union coffers.

We will be supporting industrial relations harmony across Australia, and we do not appreciate being part of a legislative process that will see this state start up its own industrial relations amendments. As I said, 12 different pieces of industrial relations legislation have moved through this place in the last few years, when industrial relations is a matter for the federal realm.

We do not believe, as this Labor government does, that all decent employers are in the minority. We do not believe that employees should be paid in cash, and it is good to see that the government now realises that. It was quite astounding to hear the squealing that took place on the government side when this was pointed out to them in the other house. The interjections of government members can be read in the very orderly way in which *Hansard* presents them. The *Hansard* record of the debate in the other place notes 'Honourable members interjecting' every time we talk about the way the bill was written when it was introduced into the house. Members from the opposition side keep referring to what they want — that is, 'unless forms are signed and written authorisation is given, employers will have to provide for the payment of wages in cash'.

It is good to see that they have now changed that. Other aspects of the bill are still unsavoury, and The Nationals are not going to support this legislation.

Ms PENNICUIK (Southern Metropolitan) — This Victorian Workers' Wage Protection Bill is a fairly straightforward bill, and the Greens will be supporting it. The intention of the bill is to prevent employers from

making unauthorised or unreasonable deductions from employees' wages and salaries. Over recent times many instances of employers making inappropriate deductions from workers' wages have appeared in the media, and some of them have been highlighted by the workplace rights advocate.

Young workers in particular have had not just unreasonable but outrageous amounts of money deducted from their pay. Often the money is taken from their wages because of shortfalls beyond their control. For example, sometimes people drive away from service stations without paying for their petrol, and other people do not pay for goods in stores, and the cost of those goods and services is then deducted from the wages of young employees. The young employees involved have no control over those situations.

We have also seen issues involving 457 visa-holders being treated unfairly by employers and having outrageous and unreasonable amounts of money deducted from their wages. The Greens think that this is a good bill and will prevent such occurrences.

I have said on many occasions in this house that the government should have taken back the industrial relations powers that were referred by the Kennett government to the federal government. This government has had a long time to do that, but instead of doing so, it has chosen to introduce these bills, which we support because they are supportive of working people; however, they are not necessarily the best way of achieving the outcome of protecting Victorian workers from WorkChoices.

It is important that we have fair industrial relations laws in this country. Before 1996, with the introduction of the Workplace Relations Act, and later, with the introduction of WorkChoices, Australia had one of the fairest industrial relations systems in the world of which it could be rightly proud and to which many countries looked as a model on which to base their industrial relations systems. That went back to the Harvester decision and the establishment of the Australian Industrial Relations Commission as a fair arbiter between employers and employees in the workplace. That is needed because there is a power imbalance between employers and employees, so we need the state to intervene with fair industrial relations laws.

With the introduction of WorkChoices, conditions in awards have been stripped away, the rights of workers have been undermined and unscrupulous employers have exploited workers. The taking away of fairness and good laws will always create a gap into which unscrupulous employers will enter so that they can treat their workers unfairly. It is like any other law. Most employers probably do the right thing and have no intention of exploiting their workers, just as most people do not intend to commit murder, but we still have laws against it to cover the people who do.

In terms of industrial relations, to ensure that employees have a fair go in the workplace, we need fair industrial relations laws and a fair industrial relations system. The Greens have a strong record of standing up for workers' rights, and a strong policy about WorkChoices. We support the repeal of WorkChoices. In fact, we go further than the Australian Labor Party in that we support the internationally recognised right for employees to take industrial action to protect and enhance their economic and social interests.

The recent nurses dispute was an example of that being put to the test. Unfortunately some nurses involved in that dispute had their pay docked — unreasonably, I would say. That issue is still playing itself out; some of the nurses whose pay was docked had not even participated in industrial action, but because their pay had been docked, they were unable to meet their weekly and daily commitments and look after their families. I do not think we should be condoning that situation in Australia.

I think it is a fairly straightforward bill, and its provisions are designed to look after employees. Unlike Mr Rich-Phillips, I do not think the provisions of the bill interfere unduly in the relationship between employers and employees. It only interferes in the relationship in cases where employers are exploiting their employees, and that is when the state needs to intervene. This law provides that if deductions are to be made, then employees should be reasonably informed and involved in that process. They should be notified and should give their permission. I do not think anyone could argue that that is unreasonable, so the Greens will be supporting the bill.

Mr TEE (Eastern Metropolitan) — I am pleased to say that on this bill we are as one with and very supportive of the Greens' position. Ms Pennicuik has highlighted some of the deficiencies that have been identified in the WorkChoices system. There appears to be some concern about the state's position on the unitary system. Our position is abundantly clear and has been stated on a number of occasions — that is, yes, the government believes in a unitary system, and yes, it has to be a fair unitary system. We all know about the insidious nature of WorkChoices. We all know that it is unfair. If we needed any further evidence, it is that the electorate knows it is unfair and very much voted that way at the federal election.

Mr Drum's response to all of this is to somehow suggest that if we are serious about it, why do we not withdraw our referral of powers. Of course the answer to that is the all-pervasive nature of WorkChoices. The way WorkChoices works is that it disregards the constitutional basis for industrial relations, which is the industrial relations power, and focuses on the corporations power. All the states and territories, including Victoria, unsuccessfully challenged the use of the corporations power in the High Court. We were left with a position where Victoria did not have, and none of the states had, the power to remove or ameliorate WorkChoices. In effect with WorkChoices we had a takeover by the commonwealth of an area which under the constitution was bequeathed to the states — a takeover using the corporations power. In answer to Mr Drum's question as to why we have not acted, that is the answer.

We have introduced more than 12 pieces of legislation such as this one, where we have used what powers we have to ameliorate the worst excesses of WorkChoices, and in areas such as payroll deductions, which is not covered by WorkChoices and where the state has jurisdiction, this bill is about filling that gap.

It was interesting listening to both Mr Drum and Mr Rich-Phillips and listening to their language and what they spoke about. They spoke about the political motives behind this bill, the unitary system and the process for the introduction of this bill, but never was there any concern for fairness, never was there any suggestion or discussion about vulnerable workers, and never was there any concern about ensuring that in Victoria we have decent workplaces that provide decent conditions.

Their arguments missed the point about this bill, probably deliberately, because this bill is about vulnerable workers and young people starting out in the workplace. For many their first job, often while they are studying, is casual employment, often in the hospitality industry. They will often have greatly rewarding and valuable social and personal experiences in their first engagement with the workplace. This bill is supportive of that role, and supportive of making sure that the experience in the workplace is a positive experience. It will ensure that that first experience is not tainted because the workers are being ripped off by unscrupulous employers. As we know, WorkChoices at its heart takes the leash off unscrupulous employers. It is about creating a culture of exploitation where those who have the power to take advantage of others are indeed encouraged to do so.

In relation to payroll deductions this bill draws the line in the sand with WorkChoices. It introduces a common-sense approach that ensures that employers treat their employees with dignity and decency. This will benefit the young entering the job market for the first time, but it will also benefit other vulnerable workers, including workers on section 457 visas, workers from non-English-speaking backgrounds and workers in rural areas.

The bill takes a common-sense approach that reflects the norm in most reputable businesses where the workers are supported and treated as valuable assets; indeed they are treated as assets that make a valuable contribution to the business. The bill delivers on an election commitment of the government and sends a strong message which contrasts strongly with that of WorkChoices. As I said, where WorkChoices is code for exploitation, this bill provides a code for a decent and fair workplace where vulnerable workers are supported and treated fairly and with compassion.

As we know, in workplaces deductions from wages are often legitimate and often are to the benefit of both the employer and the worker. This bill provides a process to ensure that those arrangements are transparent and fair. Before making any deduction the employee must be informed in writing of the proposed deduction. The employee must be provided with basic, common-sense details, including the reason for the deduction, to whom the money will be paid, the amount to be deducted and whether or not the amount will be a one-off, a multiple or an ongoing deduction. The bill provides a helpful and transparent process for a deduction from wages, but it also provides a number of clear no-go zones.

There will be occasions when an authorisation to deduct wages should not and indeed will not have any effect. These are self-evident protections. They relate to the requirement that consent must be freely given. As you would expect, there are additional protections for workers who are aged under 18 years. When the employee is under 18 and the employer seeks to make a deduction that will provide a financial benefit to the employer, the authorisation to deduct must be by a parent or guardian for the deduction to have any effect; and the deduction will be unlawful if it is unreasonable in all the circumstances. The bill cites a number of examples when it would in all the circumstances be unreasonable. One of those examples is when the deduction would mean that the employee would receive less then the applicable legal minimum wage.

The bill recognises that often deductions are reasonable and benefit both the employer and the employee. The bill helps identify the circumstances in which

deductions are reasonable, and these include when the amount of the deduction is specified; when the amount of the deduction reflects the actual cost of the goods or services that are provided; and when, where appropriate, the employer has given the employee an opportunity to purchase those goods or services or accommodation elsewhere.

This is good legislation. It is positive. It provides guidance and support for that overwhelming majority of employers who do the right thing. One clear message from the federal election is that the electorate thinks the Liberal Party went too far with WorkChoices. This bill reflects the community sentiment by bringing balance and fairness back to the workplace, and I commend the bill to the house.

Mr FINN (Western Metropolitan) — Having listened to Mr Tee I cannot help but think to myself what a waste of time this whole thing is. This bill was introduced by the Minister for Industrial Relations, who is also the Attorney-General, in the other place as an election stunt in support of Kevin Rudd and his colleagues. The election is now over. Regrettably the Australian people have decided that a change of government was necessary. Obviously I would have been much happier had the decision gone the other way, but it did not, and we all accept that. I have accepted that.

Why then do we have before us this bill, which is purely and simply a piece of campaigning on the part of a minister of this government in support of a political party for an election that is now over? Why are we wasting the time of this Parliament debating something that is as irrelevant as the minister who put it up?

There are some things in this Parliament that really make me shake my head, and this is most certainly one of them. The election campaign is over, the election is over, and it is about time the Minister for Industrial Relations decided that he should concentrate on the things that really do matter to Victorians. We have a water crisis in this state. The police force is falling apart at the seams. We have a situation where schools are falling down around us. We have a public transport system that is at best dysfunctional. We have a road system that is clogged day after day, where men and women in Victoria collectively waste millions of hours every year stuck in traffic. There are so many problems, so many issues that need to be addressed by this government — but instead, what do we have before this house today?

Mrs Peulich — A stunt.

Mr FINN — Indeed, Mrs Peulich, it is a stunt — but it is an irrelevant stunt. It is a stunt that should have been pulled when the election was over. Sure, let the Minister for Industrial Relations exert his hairy-chestedness — if such a word exists — —

Mrs Peulich — I am not so sure that it is that hairy.

Mr FINN — I am not going to find out either, I can tell you! Let him get up and bang the drum for the Labor Party. We all know that that public relations exercise exhibited at such great public expense to sell Mr Hulls as a warm, kind and cuddly individual was just pure nonsense.

Mrs Peulich — Some campaigns just do not work.

Mr FINN — Some campaigns could never work. That one in particular could never work. We all know there was nothing to it. Mr Hulls has shown that he wanted to support the Labor Party in the lead-up to a federal election. Good on him, but the election is now over. This legislation is a complete waste of the time of this Parliament and, quite frankly, the people of Victoria. This bill is irrelevant.

Ms BROAD (Northern Victoria) — I rise to speak in support of this bill. I do so because fundamentally this bill delivers on an election commitment made by Labor. Since there have been quite a few references in the debate to the federal election result, can I say that I very much look forward to federal Labor's election commitments in relation to WorkChoices being implemented as a high priority by the Rudd government.

The commitments made by Labor, both in Victoria and federally, are fundamentally about ensuring fairness — a fair go, if you like. It is exceedingly disappointing that the Liberal Party and The Nationals appear to be unable to support a fair go in an industrial relations system.

Let us look at the arrangements that apply to members of Parliament. Most, probably all, members of Parliament have deductions taken from their salary by the Parliament. MPs are required to authorise those deductions before the Parliament will agree to take those deductions from their pay, and those authorisations are required to be put in writing. Imagine the outcry from members of Parliament if the Parliament just decided to take any deductions it saw fit — reasonable or unreasonable — from the pay of members of Parliament without such basic information as the reason for the deduction, who it would be paid to, the amount of the deduction, or whether it was going to be an ongoing or a one-off deduction.

We can all imagine what the outcry would be if the Parliament decided to make deductions without any of that basic information and without any authorisation from MPs. So, if it is good enough for MPs to expect those things in relation to deductions being taken by the Parliament, why is it not good enough for all employees, especially vulnerable employees like young people and — thinking of my own electorate in Victoria — rural workers, who are often far from home and the people from whom they seek advice?

The Labor Party thinks it is good enough for all workers, whether they are a member of Parliament, employed by the Parliament or a young hospitality worker or rural worker, to expect these basic protections.

I refer back to the election commitment made by Victorian Labor to protect work rights, family time and workplace safety — the election policy commitment. That commitment was:

> Employers should not be able to deduct amounts from an employee's pay without the employee's permission. Examples include workers in regional areas having large sums deducted for food and board and young people working in hospitality having to pay for accidental breakages.
>
> Labor will legislate to ensure employees are aware of any deductions that form part of their usual work, and that further amounts cannot be legally deducted by the employer without the employee's express agreement. As in New South Wales, all deductions will have to be reasonable and an employer will not be allowed to make deductions from any employee's pay if that will result in the employee being paid less than the applicable minimum wage.

That was the election commitment, and that is precisely what the bill before the house seeks to implement. From time to time we in this place get calls from the other side about guarantees and about implementing election commitments. Here it is! Here is a bill that seeks to precisely deliver on an election commitment. The fact is there is no general protection currently in Victorian legislation in relation to deductions. The bill seeks to provide a general protection which does not presently exist. Other jurisdictions have introduced the protections afforded by this bill, and the Victorian Parliament should as well.

I commenced my remarks by indicating that this is a bill that is about providing fairness and clarifying the rights and responsibilities of employers and employees in relation to deductions. It is a bill which will ensure a fair go to employees in respect of their pay. Those are the reasons I believe the Parliament should pass this bill and why it is important that these general protections are afforded to all Victorian workers.

House divided on motion:

Ayes, 22

Barber, Mr	Mikakos, Ms
Broad, Ms	Pakula, Mr
Darveniza, Ms (*Teller*)	Pennicuik, Ms
Eideh, Mr	Pulford, Ms
Elasmar, Mr	Scheffer, Mr
Hartland, Ms	Somyurek, Mr
Jennings, Mr	Tee, Mr
Kavanagh, Mr	Theophanous, Mr
Leane, Mr (*Teller*)	Thornley, Mr
Lenders, Mr	Tierney, Ms
Madden, Mr	Viney, Mr

Noes, 16

Atkinson, Mr	Koch, Mr
Dalla-Riva, Mr	Kronberg, Mrs
Davis, Mr D.	Lovell, Ms
Davis, Mr P.	O'Donohue, Mr
Drum, Mr	Petrovich, Mrs
Finn, Mr	Peulich, Mrs (*Teller*)
Guy, Mr	Rich-Phillips, Mr (*Teller*)
Hall, Mr	Vogels, Mr

Pair

Smith, Mr	Coote, Mrs

Motion agreed to.

Read second time.

Third reading

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

> That the bill be now read a third time.

In doing so I wish to thank members for their respective contributions.

The DEPUTY PRESIDENT — Order! The question is:

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

House divided on question:

Ayes, 22

Barber, Mr	Mikakos, Ms
Broad, Ms	Pakula, Mr (*Teller*)
Darveniza, Ms	Pennicuik, Ms
Eideh, Mr	Pulford, Ms
Elasmar, Mr	Scheffer, Mr
Hartland, Ms	Somyurek, Mr
Jennings, Mr	Tee, Mr
Kavanagh, Mr	Theophanous, Mr
Leane, Mr	Thornley, Mr (*Teller*)
Lenders, Mr	Tierney, Ms
Madden, Mr	Viney, Mr

Noes, 16

Atkinson, Mr	Koch, Mr
Dalla-Riva, Mr	Kronberg, Mrs
Davis, Mr D.	Lovell, Ms (*Teller*)
Davis, Mr P.	O'Donohue, Mr
Drum, Mr (*Teller*)	Petrovich, Mrs
Finn, Mr	Peulich, Mrs
Guy, Mr	Rich-Phillips, Mr
Hall, Mr	Vogels, Mr

Pair

Smith, Mr	Coote, Mrs

Question agreed to.

Read third time.

Sitting suspended 6.15 p.m. until 8.04 p.m.

NATIONAL ELECTRICITY (VICTORIA) AMENDMENT BILL

Second reading

Debate resumed from 21 November; motion of Hon. T. C. THEOPHANOUS (Minister for Industry and Trade).

Mr VOGELS (Western Victoria) — I will make a few brief comments on the National Electricity (Victoria) Amendment Bill 2007. The purpose of this bill is to transfer responsibility for economic regulation of electricity distribution from the Essential Services Commission to the Australian Energy Regulator. This will occur through the handing over of administration of the regulation of electricity distributors from the ESC to the AER, which will include the undertaking of the next price determination and which is currently intended to take effect from 1 January 2009. The bill will also preserve the existing state-based regulatory regime for distributors until the end of the current price determination on 31 December 2010, which will include a discretion for the minister to exclude the application of various aspects of the national regulatory regime until the end of the current price determination.

The Liberal Party has consulted widely on the bill. All jurisdictions have agreed on a process to progressively transfer regulation of electricity transmission and distribution to the commonwealth, and the legislation has the general support of the industry. The opposition supports the bill. The Liberal Party has been very consistent in its support for reform of the gas and electricity sectors and has not shied away from the reform that was necessary when these processes commenced under Labor in 1992. We have always supported market reform if it brings about efficiency gains and is beneficial to the customer.

The purpose of this bill is to recognise that in 2007 no state can afford to be left on its own — we need to think at a national level. The east coast of Australia is essentially one market. This is true not only for electricity and gas but also for water, which will be the next cab off the rank. It will be interesting to see how quickly the Brumby government signs up to the Murray-Darling Basin scheme now that the Rudd government, which supports the scheme, is in Canberra.

When enacted, the bill will benefit consumers, because there will be a more reliable and secure energy market. What is still missing is the upgrade of many antiquated single wire earth return (SWER) lines across rural Victoria, which are strangling investment and progress in country Victoria. This is an especially significant problem for the dairy industry where the lack of supply of three-phase power has quality assurance implications. We know that milk vats need to refrigerate milk down to 3 degrees Celsius within minutes of the milk arriving in the vat. However, many farmers cannot run their milking plants and their vats at the same time due to a lack of power supply and availability of power on the system.

This problem needs to be addressed and, once again, the state and the distributors together with the dairy industry should put together another scheme to help alleviate this problem. One of the best initiatives I believe the Bracks government implemented in 1999 was the upgrade of the SWER lines across country Victoria; that was a great benefit to country Victorians. It was a great benefit to dairy farmers and businesses who wanted to develop industries in country Victoria.

In conclusion, the Liberal Party has consistently supported the development of a national electricity market and the transfer of economic regulation to national regulators as soon as a national regime is established. I therefore wish this bill a speedy passage.

Mr HALL (Eastern Victoria) — The electricity industry in recent years, particularly in the last seven or eight years, has undertaken some very significant reforms. We now have a national electricity market. We are seeing, with successive pieces of legislation being introduced into this Parliament and into other parliaments across Australia, a move towards a uniform system of national regulation of the electricity industry. Generally The Nationals have supported the move towards a national regulatory system. We believe that when we have a common market across much of the south-eastern seaboard we will need to have a common

system to regulate that market. We have generally supported changes which have been steps towards a national electricity system in Australia. This legislation is a further step in that regard, so The Nationals do not oppose it.

I particularly want to talk about the role played by the Essential Services Commission which will soon be undertaken by the Australian Energy Regulator. Currently in Victoria the Essential Services Commission oversees the distribution functions of electricity. Distribution companies in Victoria hold licence agreements with the Essential Services Commission. The commission is also responsible for conducting distribution price determinations in Victoria. The legislation before the house will change this.

The change is best described at page 3 of the explanatory memorandum, which deals with the new part 4 to be inserted in the act. It reads:

> This new part will provide for transfer of administration of the current Victorian electricity distribution pricing determination from the ESC to the AER. It will both confer on the AER the regulatory functions, powers and duties it will need to administer the determination and remove those functions, powers and duties from the ESC.

In regard to this particular change it is important to acknowledge that distribution licence agreements will remain with the Essential Services Commission. The important issues of supply performance and the maintenance of equipment et cetera will still be pursued through the Essential Services Commission as a condition of those licence agreements. Those particular conditions are specified in section 18 of the Electricity Industry Act 2000.

I mention this because the member for Gippsland East in the other place suggested during the debate on this bill that to support this bill would be to sell out the people of regional Victoria, that they would no longer have the protection of supply reliability and supply performance that is provided by Victorian distribution companies. But I argue that those distribution licences will still be controlled by the Essential Services Commission in Victoria, and Victorians will still have the opportunity to express their views about supply conditions, supply variability and supply performance to the Victorian constituted body, the Essential Services Commission. It will not be the Australian Energy Regulator simply taking over all those functions. The Essential Services Commission will still have a vital role to play, and it will be able to monitor the issues of supply reliability and supply performance for people in Victoria.

The one disappointment regarding this legislation is the fact that the government is still not committed to a future application of the current network tariff rebates. In the course of debates over the last few months I have spoken about the network tariff rebate, which is an important initiative for those living in country Victoria. The cost of distributing electricity is higher in densely populated metropolitan areas. The network tariff rebate equalises those distribution cost components of electricity bills so that people living in country Victoria pay no more for their electricity bill than those living in metropolitan Melbourne for the cost component regarding distribution. The failure of this government to commit to the network tariff rebate in the future means that that cost equalisation factor is in jeopardy. I remain disappointed that that particular issue has not been addressed in this bill. It is relevant because, as I said, the bill hands to the Australian Energy Regulator future price determination with respect to distribution costs; therefore it is an important issue.

The Nationals have always supported the creation of the national electricity market. We have always supported moves that ensure that the rights of Victorians are upheld. Those rights are upheld presently by the presence of the Essential Services Commission and their role in the allocation and monitoring of distribution licences. It is important that that role remain in place. However, we remain disappointed that the current government has not been committed to the network tariff rebate. That could create some issues about price determination for country Victorians in the future.

However, we are prepared to give the government a chance regarding this legislation. We will not be opposing it, but we certainly will be monitoring how the Australian Energy Regulator participates in future price determination. It will be of interest to The Nationals and indeed to all of country Victoria.

Mr BARBER (Northern Metropolitan) — The Greens will be supporting this bill.

Mr LEANE (Eastern Metropolitan) — It is good to see you, President, and I hope you are feeling a bit better. I will be brief, but not as brief as Mr Barber.

It is important in this day and age that Australia has a national energy grid. From time to time we rely on feeds from New South Wales and South Australia. In recent years Basslink has been established. It is one of the longest subsea cables connecting two bodies of land in the world. If it is not one of the longest in the world, I am sure it is one of the longest in the Southern Hemisphere, which would not be hard.

This bill will facilitate the transfer of administration of the current Victorian electricity distribution pricing determination from the Essential Services Commission to the Australian Energy Regulator (AER) at a date to be specified. It is anticipated that that will be 1 January 2009, which is not that far away. This is the second phase of the national energy market reform program, which will transfer the responsibility for economic regulation from separate regulators in each state and territory to a national body, the AER. As I said, that is important due to the fact that we as states are linked and responsible for each other, and it is therefore important that we form a national framework for the regulation of this national network, which is of economic value to the whole nation. Having said that, I commend this bill to the house. I am glad that all the other parties are supporting it.

Mr THORNLEY (Southern Metropolitan) — I also rise to support the bill. As my colleagues have mentioned, this bill deals essentially with some of the transitional requirements for us to move to the next phase of national energy market regulation, in particular moving the responsibilities over time from the Essential Services Commission to the Australian Energy Regulator. This legislation is of course also part of the broader Council of Australian Governments reforms that have been largely led by this government, and in particular it is part of the competition and regulatory reforms relating to access to infrastructure. It is absolutely critical that you get those right.

All of those infrastructure and distribution assets are by their nature natural monopolies. It is therefore absolutely essential that you design the access regime correctly so that you have a well-designed market. This bill is part of that process. That is even more important in the current climate, because as we are now finally moving to deal with the challenges of climate change in a more accelerated fashion than we have been, the structure of these markets is absolutely essential. As the carbon price enters these markets and has quite significant impacts on the economics of various generating technologies, it is going to be critical that the common distribution infrastructure be effectively managed and that the market be designed correctly to ensure that the most efficient generating capacity can be brought to the end user.

This bill is just one of many such reforms. I suspect there will increasingly be opportunities for more distributed power generation. Potentially that will reduce the requirement for the distribution grid to carry as much power as we move to forms of distributed power generation fired by natural gas, by biofuels and over time by other renewable sources. We will then face a range of other issues in relation to the distribution network, not least of which will be feed-in tariffs and other important criteria that will be necessary to make distributed power generation work. It is very important that these market designs continue. To state the obvious, it is the design of these markets and the ability to ensure that they deliver effective and competitive outcomes which are the important questions, and not the sort of bogus ideological dispute that has been going on for 20 years about free markets versus regulation.

There is no such thing as a free market in electricity; it is a completely meaningless concept. It is a creation of fiction. What is much more important is whether you have a good game played or a bad game played, and that is determined by the quality of the market design. This legislation is part of improving the quality of that market design and therefore delivering beneficial effects to generators, distributors and end users, both business and consumers, and through that efficiency enabling a more rapid transition to more carbon-effective and therefore less carbon-intensive forms of generation. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

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

That the bill be now read a third time.

In doing so I wish to thank members for their respective contributions.

Motion agreed to.

Read third time.

VICTORIAN ENERGY EFFICIENCY TARGET BILL

Second reading

Debate resumed from 21 November; motion of Hon. T. C. THEOPHANOUS (Minister for Industry and Trade).

Mr VOGELS (Western Victoria) — The purpose of the bill is to subsidise the purchase of energy-efficient appliances and other energy-efficiency improvements with funds raised through higher gas and electricity prices. The main provisions of the bill will enable

accredited persons to create energy-efficiency certificates for prescribed activities. Accredited persons who are consumers can create their own certificates. Non-accredited consumers can assign to an accredited person the right to create certificates based on the consumer's prescribed activities.

Initially the scheme will apply only to the residential sector, and prescribed activities will be the purchase of energy-efficient residential appliances, the improvement of the energy efficiency of homes and the conversion of hot water systems and other home appliances. The purchase of energy-efficient appliances will entitle accredited persons to create one certificate for every tonne of greenhouse gas the appliance is expected to save over a specified lifetime compared with an appliance of that type with average energy efficiency. Home improvements and conversions will entitle accredited persons to create one certificate for every tonne of greenhouse gas the improvement or conversion is expected to save over a specified lifetime compared with the status quo. The installer of the improvement or conversion will be required to certify both the work done and the previous situation so that the relevant saving can be determined.

Any person can apply to be an accredited person subject to payment of the applicable fee, which is expected to be several hundred dollars. It is expected that appliance retailers and specialist certificate brokers will be amongst those who will become accredited persons. Certificates must be registered with the Essential Services Commission and, once registered, can be freely bought and sold. All energy retailers with more than 5000 Victorian customers must purchase and surrender each year a specified number of certificates or pay a specified penalty for each certificate by which they fall short. The government will specify each year a rate at which energy retailers must purchase certificates per unit of electricity and gas they purchase for sale to prescribed customers. It appears the government intends to specify the rate in such a way that the total number of certificates surrendered each year will approximate the scheme target. The scheme target for each of the first three years commencing on 1 January 2009 is 2.7 million tonnes of carbon-dioxide-equivalent saving over the defined lifetime of the prescribed activity.

It is expected that the scheme will result in lower costs of prescribed activities for consumers because of the value the certificate will have to appliance retailers or to suppliers of home improvements or conversions. Energy retailers can be expected to recoup the cost of purchasing the required certificates through higher gas and electricity prices for prescribed customers.

Authorised officers will be able to enter premises, inspect documents and require answers to questions et cetera with consent or with a warrant.

The idea behind this legislation is to provide incentives to Victorian households to undertake energy-efficiency improvements, thereby reducing greenhouse gas emissions. It always amazes me how Labor governments come up with endless schemes to save energy whereby they can unload the responsibility onto working families, yet as a state we do the opposite.

I read in the Warrnambool *Standard* of Saturday, 1 December, an article headed 'Power bills to rise'. The article by Madeline Healey states:

> The average power bill of a south-west household will rise by $160 a year from January after the state government yesterday announced it would increase base electricity prices.
>
> Minister for Energy and Resources Peter Batchelor said the increase, which will be an average of 13 per cent, was necessary because of the drought which had affected the cost of power generation.
>
> He said the increase would bring Victorian prices into line with other states.

I do not believe we should be in line with other states. Victoria should have cheaper electricity prices than al other states in Australia. We have coal, we have wind, we have water. One of the things that made Victoria a great state to live, work and raise a family was its cheap electricity prices. In manufacturing — and that is what Victoria is about: its manufacturing — it is imperative that we stay the cheapest state in Australia for energy prices, because other states have advantages against Victoria, and as a quarry or a state where we dig up coal, or whatever, we should be the cheapest state in Australia for electricity prices. As the Warrnambool *Standard* reported on 1 December:

> Warrnambool Community Connections financial counsellor Gary Lucas said the price increase was disgraceful.
>
> …
>
> Especially for older people living in older houses. Some of our public housing is close to 60 years old and generally not very efficient in terms of people's ability to heat them.

Yes, we do need to look for alternative energy, but I think the government is driving this state into electricity prices which will not be sustainable and will not make Victoria the best place to live, work and raise a family, which it once used to be.

Imagine the greenhouse gases that could have been saved, for example, by this government implementing and improving our public transport system. The extension of the South Morang railway line, which we

often hear about in this house, was promised by Labor in the 1999 election and again in 2002; it would have taken millions of cars off the roads, and imagine the greenhouse gases that could have been saved by implementing that promise.

Rail standardisation was promised in south-west Victoria and western Victoria. Millions of tonnes of woodchips, grain and mineral sands are carried by the B-doubles going down our local roads. Millions of tonnes of greenhouse gas emissions, not to mention the carbon emissions involved in road maintenance, could have been saved.

Imagine the greenhouse gas emissions produced by desalination at Wonthaggi and then having that water pumped 150 kilometres to Melbourne and back to Geelong near where the rain originally fell in the Otways. It would have flowed into the ocean, completely been lost by currents, have found its way to Wonthaggi where we would desalinate it and then pump it back to where it originally fell as rain. Greenhouse gas emissions have been absolutely and utterly forced onto our community because we are too stupid to do the sensible thing.

A large amount of greenhouse gas emissions would be created by, for example, pumping and lifting 75 gigalitres of water through the so-called north–south pipeline over the Great Dividing Range; an enormous amount of energy would be needed. I have listened to the minister in here talking about how many black balloons we have saved and about the number of cars. It is all empty rhetoric.

Energy is a basic need in our lives, and we can no longer function without it. Yes, we need to find ways to reduce greenhouse gas emissions. It seems to me that biofuels are now seen as the new way of reducing CO_2 and there is talk of mandating biofuel use in our fuel supplies.

There are two ethical issues to be considered when deliberating on a biofuels policy. The first is the concept of an affluent country such as Australia using feedstock for transport fuel. In the context of significant global suffering through malnutrition and malnutrition-induced diseases, using feedstocks in this way could be regarded as morally questionable. Proponents of biofuels will report that human quality feed grain will not be used for ethanol production, but this demonstrates incomplete knowledge of the grains market as well as the fact that even non-human grade grains are used for food production through the livestock sector.

The United Nations food aid organisation is currently investigating the effect that biofuels are likely to have on food supplies in Third World countries. Early reports are that the impact will be significant.

The second ethical consideration in the case of biodiesel will be the demand it creates for palm oil as a cheap substrate for esterification. I do not know if anybody saw in the *Herald Sun* this week or last week that in Indonesia they are clearing huge tracts of native forest to put in palms so they can get palm oil to turn into diesel, ethanol, or whatever, to drive our cars. There is currently an evolving international market for palm kernel and, as I said before, that is leading to vast harvesting of native forests for palm plantations in much of South-East Asia. International demand for the product is acting as a significant incentive for growth of this practice which is causing considerable environmental damage.

It would be difficult for the Australian biofuels industry or the Australian government to distinguish such imported product on the international market, and a mandated biofuels target of 10 per cent would require some importation of product. An important strategic consideration is the appropriateness or otherwise of taking a jurisdictional approach to the issue of biofuels.

Australia has a truly national fuel market, with considerable movement — apparently 20 per cent of fuels between states — and obviously large unregulated movement of vehicles between states and a national manufacturing and wholesale system.

There is a strong argument that a national approach should be taken in regard to any incentive directed at biofuels usage to avoid consumer confusion and to provide for consistency. Many proponents of biofuels claim significant environmental benefits from biofuels, but in this context ethanol and biodiesel fuels must be considered quite separately.

The benefits from E5 or E10 certainly exist but are not as pronounced as one might expect, particularly with regard to greenhouse gas emissions. The overall effect on greenhouse gas emissions from E5 or E10 will be very minor compared to other initiatives targeting greenhouse gas reductions. Less than 9.5 per cent of the state's greenhouse gas emissions come from cars, and we can expect at best a reduction of 1.8 per cent of this. The effects from biodiesel are clearer and more substantial. There have been many claims in the press stating that it takes more gasoline to produce ethanol than it saves. As stated, however, the greenhouse gas advantage of ethanol when considered over the whole of life is less significant.

The most pronounced negative impact of a mandate directed at ethanol blending will be upon feed grain prices. There is one very comprehensive study that estimates a mandate of E10 will affect feed grain prices by 25 per cent by 2010. This will have a substantial impact on the major users, such as the dairy, poultry and pig industries. There will be significant backlash from these industries should a mandate be pursued, particularly in these years of drought.

There are many reports that the pig industry is financially unviable due to international market prices and overseas imports. A 25 per cent increase in feed input costs for this industry would end the Australian pig industry.

The ethanol production process produces as a by-product distillers grain which can be used as a feedstock source, and many farmers all over Victoria use brewers grain as distillers grain, but there is very little food value in this grain once it has been distilled and used for biofuels. Distillers grain has a much lower energy content, which is the rate limiting nutritional item in most livestock production. It also has a limited role in livestock diets and can only constitute 15 to 20 per cent of diets that must be carefully formulated. Although used heavily in North America, its use is limited within Australia due to its nutritional characteristics.

The impact of more widespread biodiesel usage in the feed grain sector is less clear and is likely to be much less substantial than for ethanol. The substrates of biodiesel production are used to a lesser extent, and there are alternative sources of oil-based feeds. Further research into the impact on other sectors of the economy should be undertaken as an important part of biodiesel policy development.

I am really concerned about where the world is heading with ethanol, biofuels and biodiesels and, yes, many people say there will be less greenhouse gas emissions because we are not using oil.

Food for oil, food for petrol, or food for diesel really concerns me, because the effects will be enormous on ordinary Victorians — the people who need to buy the grain that is needed to make bread, to feed our livestock, or to feed our animals. If it is mandated and subsidised to have an ethanol industry, then there will be some farmers who will benefit — of course, because they will get higher premiums for their grain — but the overall effect will be a loss for the average Victorian.

We need to weigh up the expected environmental benefits against the cost to certain sectors of society and the community at large. Any approach to reduce greenhouse gas emissions must integrate with other policies, particularly directed at addressing climate change and energy conservation.

In conclusion, the Liberal Party is concerned about CO_2 emissions and therefore will not be opposing this bill. However, as was said during debate on the bill the house just voted on, we need a national approach in dealing with the issue. I commend the bill to the house.

Mr HALL (Eastern Victoria) — The Victorian Energy Efficiency Target Bill is a fairly interesting piece of legislation. I have to admit that it took me some time to read the bill, several times over, before I came to some understanding about what it was all about. I am thankful and grateful for the assistance of people from the minister's office in the department for briefing me on the bill and for further clarifying some of the doubts and questions I had about it.

If you read the bill itself, it is difficult to understand because this sort of bill is commonly termed 'framework legislation'. It does not tell you a great deal of detail about the particular scheme mentioned in the long title of the bill; you have to go to clause 75 to find that most of the detail will be determined by way of regulation. It does not tell you how the whole scheme will work; only the passage of time will determine exactly how it will work. All we have in front of us with this piece of legislation is a framework for the establishment of what is being called the energy-efficiency target scheme.

To start my contribution I want to talk about what this bill does and then go through my interpretation of how it is going to do it. Then I am going to talk about what I think the practice might be and what the impact of this scheme might have on consumers and suppliers of energy in Victoria.

Let me start by saying what I believe the bill does. First of all it establishes a new act called the Victorian Energy Efficiency Target Act, and it makes some consequential amendments to the Essential Services Commission Act. The consequential amendments are necessary because the Essential Services Commission will play a vital role in the implementation of this new Victorian energy-efficiency target scheme. The bill establishes the target — that is, a target reduction of 2.7 million tonnes of CO_2 per annum for the next three years starting 1 January 2009 and concluding on 31 December 2011. Thereafter the targets will again be prescribed by regulation for three-year periods up until 2029.

There is a sunset provision on this bill; it will conclude and no longer be part of the Victorian statutes from 31 December 2029. In response to my question to those who briefed me on that particular point — namely, was it expected that there will be some other form of schemes that will overtake this scheme by the time we get to 2029? — I have no doubt other schemes will overtake the necessity for this energy-efficiency target scheme.

My third dot point on what this bill does is that both electricity and gas energy retailers with more than 5000 customers will be apportioned a share of the 2.7 million tonne target according to the percentage market share which they currently hold. If we have an energy retailer in Victoria that, for example, holds 10 per cent of the market share of electricity and gas, then they will be assigned 10 per cent of the target of 2.7 million tonnes of CO_2 reductions.

The currency for the energy savings will be in the form of energy-efficiency certificates. Energy retailers in Victoria will be required to acquire over the period of each year the amount of energy-efficiency certificates assigned to them, and ultimately they will be required to surrender those certificates to the Essential Services Commission. The failure of energy retailers to acquire and surrender the appropriate amount of energy-efficiency certificates will result in a financial penalty to be paid by those energy retailers.

Certificates will be created by authorised persons — that is, persons authorised by the Essential Services Commission — for what is termed under the legislation as 'prescribed activities' that will result in less energy use. Again, regulations will determine what are 'prescribed activities', but the general description is that they will be activities that result in less energy use. That might mean, for example, the replacement of high-energy-use appliances with more efficient appliances or the installation of insulation in buildings which will, therefore, require less energy use for heating and cooling. A prescribed activity may be in relation to the design of the building so it is a more energy-efficient building. All of these particular activities will be prescribed by regulation but in general description they will be activities that result in less energy use.

As I said before, energy retailers will need to accumulate the number of certificates required for them to meet the targets set for their particular company. Ultimately they will have to surrender those certificates to the Essential Services Commission. Also in the legislation there is a formula which prescribes the fee that will be paid by those energy retailers if they fail to meet those obligations.

Interestingly credits can be carried over for a period of up to six years but energy retailers will not be allowed to borrow credits. For example, if an energy retailer acquires more than is required in any particular year, it can carry the excess over to the next year for up to the next six years, but no debt is allowed. If it falls short of certificates in any one year, it will be required to pay a financial penalty.

As I have said throughout my comments to this point in time, the details of many of those activities will be outlined by way of regulation. The regulations are defined in clause 75 of this bill. I draw the attention of members to that clause. They will note that it says the Governor in Council may make regulations for or with respect to a whole range of issues that are listed on pages 57 and 58 of the bill. The issues include prescribing conditions or circumstances under which a certificate cannot be created and also conditions and circumstances under which a certificate can be created. It includes prescribing an efficiency rating which is a high efficiency rating in respect of a kind or class of appliance or equipment. The regulations can also specify when a prescribed activity is to be taken to have been undertaken, so the range of regulation-making ability under clause 75 is rather extensive.

I want to draw the attention of the house to clause 75(3), which says:

> The regulations are subject to disallowance by a House of the Parliament.

This was an important amendment that was moved by The Nationals in the Legislative Assembly and accepted by the government as being a fair and reasonable amendment. I thank the government for accepting our amendment in this regard. We elected to move that amendment because of the fact that much of the detail of this scheme will actually be prescribed by regulation, and so I believe it is important for the Parliament of Victoria to have some oversight of the detail which will evolve by way of the regulation-making process.

If this subclause were not there, the only ability the Council, or indeed the Assembly, would have to express a view about these regulations would be if the Scrutiny of Acts and Regulations Committee drew that to the Parliament's attention and recommended a disallowance. It was the view of The Nationals when we moved this amendment in the Assembly that it was important for the whole of either house to be able to express a view without relying on the opinion of the

Scrutiny of Acts and Regulations Committee. I thank the government for its acceptance of the amendment. I think it makes for a better bill, and it certainly makes for a bill which will enable the Parliament to exercise better scrutiny over the detail that will eventually evolve by way of regulation. Finally, this bill outlines the fact that all this will happen from 1 January 2009 and that it will be administered by the Essential Services Commission. That is essentially my summary of what the bill actually does.

One then needs to ask the question: how will it work in practice? The bill does not describe how all this will work in practice. As I said before, the passage of time will perhaps determine more accurately what the practice will evolve to be, and one can only envisage how it will actually work. My interpretation of the bill and my expectation is that will work in a number of different ways. Given that energy retailers have to acquire a certain number of energy-efficiency certificates themselves, I think there will be an expression of interest by retailers in becoming authorised persons in their own right. They could go to their customers, for example, and offer to them either at a discount rate or free of charge a number of prescribed activities in their particular home that will result in a reduction in energy use.

An example given in some fact sheets published by the Department of Primary Industries on its website suggests you could have an energy retailer offer to their customers the replacement of incandescent lamps with energy-efficient fluorescent lamps. The taking of that action would generate a certain number of certificates. In return for the provision in a house of those energy saving appliances or, as in this case, lamps, certificates would be assigned to the energy retailer and would go to part of its accumulation towards the target it was required to meet. Obviously the benefit for the consumer involved is that in the long term there would be an energy saving and therefore a reduced cost to them, and for the energy retailer the benefit would be that it would go towards the number of certificates it was required to accumulate under the legislation. It is important to acknowledge that retailers of energy themselves can apply to be accredited as authorised persons for the purpose of the legislation.

Another example is again pretty much along the lines of an example given on one of the fact sheets published by the Department of Primary Industries. It is where a whitegoods retailer might offer a substantial discount to a customer to purchase a more energy-efficient product like a refrigerator or washing machine. In doing so, again, by way of regulation that prescribed activity of replacing a higher energy use appliance with a lower energy use appliance would earn a certain number of certificates. The holder of those certificates would in turn be the retailer of that particular appliance, so retailers of energy products can also become authorised persons for the purpose of this act.

How will that retailer then recoup the cost of providing the discounts? It will go back to an energy retailer and offer for sale the energy-efficiency certificates it has created and produced — and I guess its discount would be based upon what return it would expect to get from an energy retailer for the certificates it had actually created. You will probably get similar things in building design. Building design companies will go to clients and offer to build energy-efficient building designs or extensions to houses and the like. Again, by regulation those activities will be deemed to contribute a certain number of energy-efficiency certificates. Perhaps the building design company will then go back and sell those to energy retailers to assist them accumulate the number of certificates they will be required to surrender under this scheme.

There was one question The Nationals sought some clarification on, and that was what would happen in new homes, for example. When a new home is being built, will it be able to qualify for any energy-efficiency certificates? The answer we received back was yes, it will for any measures taken beyond the five-star energy rating of a dwelling. If in building a new home a person decides to put in extra measures beyond the five-star energy rating requirements, then for those measures they will acquire energy-efficiency certificates that will be redeemable in some way or another with energy retailers. So energy-efficiency certificates will very much become a tradeable commodity.

I would expect that in time to come there are bound to be some very smart people who will establish themselves as brokerage businesses for these energy-efficiency certificates. It is also interesting to note that this particular scheme is legislated to apply only to residential properties and not business or industrial properties. I would have thought there should be a more widespread application — and maybe there will be in time to come — to business and industry, where perhaps the potential to save energy is even greater than it is in residential homes.

I want to talk very quickly about what I expect the economic impact of all of this to be. Again, I am relying on figures given in the minister's second-reading speech, on information received at the briefing and on fact sheets published on the website of the Department of Primary Industries. The fact sheets on the website suggest that the savings to householders

will be on average $45 per annum due to avoided energy use. I might say by way of an aside that it is probably little comfort to energy consumers in Victoria when they see the recently announced increases in energy prices for both electricity and gas, which far exceed that estimated average saving of $45 per annum to consumers in Victoria as a result of this energy-efficiency target scheme.

However, that aside, someone must bear the cost. I appreciate that if you are using more energy-efficient appliances, products and design in your building, then your energy costs will be less; consequently there will be a reduction in the cost to the householder for their energy use for that particular year. But someone is going to pay the cost, and ultimately it will be the energy retailer who will incur costs in meeting the particular provisions of this scheme. Ultimately those costs will be passed on — back to consumers.

At the briefing, when I asked whether the embedded cost to retailers would ultimately be passed back to consumers for the cost of this particular scheme, the answer was, 'Probably not, because if you look at the way the electricity market operates, essentially there are different components within the electricity market. There is the baseload component of electricity purchased by distributors and then passed on to retailers at a baseload price, which is a cheaper price than those on peak load electricity prices — that is, electricity generated by gas and hydro that can be turned on and off essentially with the flick of a switch, according to demand, and it is that high-demand electricity which is the most costly'.

In terms of energy reduction, if there is an energy reduction and retailers do not have to supply energy, then the first thing they do not have to purchase from generators is the high peak load electricity. So the cost to distribution companies and, ultimately, retailers will be less because they will be buying proportionately more baseload compared to a spread of baseload and peak load electricity, and consequently their prices will be less. My personal view on that is that there may be a one-off gain for a short period of time, because I have no doubt that the electricity market will readily adjust to decreases in the need for peak load electricity, and ultimately there will be less baseload produced and an equal percentage of peak load electricity produced as there is now. If there is a cost saving to retailers, my view is that it will be a short-term and probably one-off cost.

It is interesting to read the view expressed by the Department of Primary Industries on its fact sheet. I do not dispute this, because I do not claim to be the expert in this particular area, but as well as suggesting that there will be a $45, on average, overall reduction in price to householders, it suggests that that reduction in electricity prices will be 0.02 cents per kilowatt hour; with gas it is suggested that the retail prices will increase by 0.007 cents per megajoule over the period in which the modelling was undertaken. They seem to be small figures, but when you look at the megawatts of electricity and kilojoules of gas that people use over a period of years, then there is some significance to those figures. Again, they are the expert figures, and I am not going to dispute them, but my gut feeling is that, at the end of the day, those particular savings will be short term, and ultimately the cost of the scheme is going to impose some additional cost in the future on consumers of electricity and gas in Victoria.

Having said all that, I acknowledge that, with the use of natural resources in this state, we need to conserve where we can the use and employment of natural resources. We need to be conservative in our approach to the use of natural resources and, where we can and in a balanced way, reduce our reliance on and expenditure of those natural resources. It will be interesting to see how the practice of this particular legislation plays out over the three-year period from 1 January 2009 to 31 December 2011. After that period, we will have a much better idea of how effective this scheme is likely to be.

However, given the fact that I think we need to be conservative with our use and expenditure of natural resources in this state, we are not going to oppose this piece of legislation, but we are certainly going to watch it with a great deal of interest, because, as I have said throughout the course of my contribution here tonight, we are always prepared to look at ways of using our natural resources wisely. If this results in a balanced and affordable way in a reduction in CO_2 emissions, then I think it will prove to be good legislation. That will only be told by the passage of time, and the next three or four years will be an interesting period to watch how this measure and related measures evolve.

Mr BARBER (Northern Metropolitan) — The Greens support this bill wholeheartedly, and so should all other members. While we have spent the entire year talking about, and in many cases dealing with, the impacts of climate change, this is the first piece of legislation we have seen that proposes to do something about it in a very practical way. Anybody speaking or voting against this legislation would be put in a very difficult position.

The mechanism proposed by this bill is an effective way to roll out energy-efficiency measures, which are

the most cost-effective ways to cut greenhouse gas emissions. By 'cost-effective' I do not just mean that they are the cheapest; I mean that they actually pay for themselves in a way that is more effective than many of the other investments that we make as individuals and as a society. Yet these energy-efficiency programs are often ignored by governments, in a policy sense, and they are ignored by those who are in a position to make such improvements as well.

We have just gone through a big national debate about climate change. For a lot of the time we were arguing about the Liberals' preferred solution, which was nuclear power, versus Labor's preferred solution, which was about clean coal. Very rarely did the most important part of the debate sneak in — that is, the capacity to make deep cuts to our energy use and profit.

I am an economically rational environmentalist, so when I bought my new house earlier in the year of course I wanted to be green, but I started looking at the investments I could make around my house, and I arranged them in order of those that would be most profitable versus those that might produce a lower rate of return. Given that I have a mortgage at about 7.15 per cent, I suppose I had the option to either pay $1000 off my mortgage in a redraw facility, which means I would make 7.15 per cent on that money — absolutely no risk, guaranteed — or I could spend the money on energy efficiency around the house. What I did first was invest in all those measures that I knew would pay themselves back at a much better rate than I could get at 7.15 per cent, and which of course have absolutely no risk associated with them.

The first thing to do is change all the light bulbs and showerheads. For about $27 I bought a roll of draught-stopping film that I put around all my doors. Since it was the middle of winter, I instantly noted the effect of that $27 investment. I was able to turn down the dial on the heater by another notch. I patched up the bits of roof insulation where there were holes, then I started to get into some of the more expensive items, like buying blinds that would properly cover the windows. It is easy to feel that cold air circulating past the cold glass and down around your legs — and so on and so forth.

Obviously I am highly motivated as an environmentalist. I had spare cash and was in a position to know what investments to make and to be able to calculate the rates of return and which were the best ones to be doing. Most people are not in that position, therefore most people do not go ahead and do the sorts of things that I have been doing in my house, even though they could have been doing them for a very long time before the issue of climate change crept over the horizon.

Effectively there is a cost curve of different investments that we could all be making in our households. Knowing and understanding what that cost curve consists of, in terms of both the rate of return for each type of investment and the number of those different investments that exist in the different households in Victoria, enables us to quite clearly understand what opportunities are out there; and for a given level of target, how far up the cost curve we are likely to move, and therefore what that investment is likely to cost us. That is actually not the hard part of designing a scheme like this.

Clearly this program will be effective; it has been effective in other jurisdictions in increasing energy efficiency, in some cases in reducing peak-energy demand, in reducing the energy bills for consumers, and along the way to catalyse this whole new industry for people with small amounts of capital and a certain level of skills, to offer to households the service of making their houses energy efficient. That industry really does not exist yet and therefore it cannot lobby for its own existence. The nuclear power industry of course exists and it does nothing but lobby for its own existence, because it cannot make the kind of business case that energy efficiency can.

The program will also encourage some technological development, but for the vast majority of investments that we are talking about, you will be literally buying products off the shelf and installing them; we are not really waiting. To make the deep cuts to energy consumption that we are talking about, we will not be waiting very long for new technology or something that has not been invented yet.

As has been said, the bill, does not contain a lot of detail. Many of the details are in the regulations. Generally speaking I am less comfortable about framework legislation with a lot of stuff being left to the regulations, but in this case I think we will want to upgrade and expand this program in years to come, so I am happy with that approach. In any case, any party that is not happy with that approach could take the opportunity to move on the particular regulations as they come through.

The target itself arises out of the state government's commitment in 2006 to create a target of a 10 per cent reduction in household emissions by 2010. That target still has a little bit of rubber around it. The base year was not made exactly clear. It is 10 per cent below business-as-usual projection, which is that household

emissions will grow from 25 million tonnes to 27.2 million tonnes. We then want to get back to 10 per cent below the 2006 base line, I hope, not the actual number in 2010, but that is another detail that will have to be brought out in the regulations themselves. Of course the way the bill is structured, if in three years time we want to make a much bigger target, we can do that too via the Parliament.

It all sounds very simple and good, but surprisingly a proposal like this immediately brings out a whole range of knockers. Some of them are recent converts to the idea that climate change is a problem, others are recent converts to the idea that market-based mechanisms can be part of the solution, and some are both. Just by looking through the submissions and at other commentary on this particular proposal, you can see groups like Origin Energy, which fancies itself to be a bit of a green-power company, saying, 'We have got all these concerns, this is a bit of a worry, this might happen and that might happen, and we are really just genuinely very concerned about this'.

The Origin Energy's submission says at the beginning:

> Origin Energy supports sensible measures to address climate change and believes that improving energy end use efficiency is an important part of a comprehensive response.

It has already got off on a pretty sticky foot there, has it not? It continues:

> We therefore recognise the Victorian government's good intentions in trying to reduce household emissions by establishing … VEET.

Later on it talks about minimising:

> … the uncertainty created by continued policy flux —

as if anybody thinks it would be any different, given the current situation —

> which is particularly disruptive to investment decisions where long —

term —

> asset lives are involved.

I will come back to what I think that means. The submission then says:

> Even if sound in intention, ad hoc policy decisions such as this have the potential to result in perverse and unintentional outcomes.

I know for a fact that Origin Energy lobbies even harder in the backroom against this. A company that, as I said, promotes itself as a green-energy company and constantly direct-mails me information on many products and ideas and fancy brochures to promote that public image even more, would not want to get too public in lobbying against a proposal such as this. In fact, if I catch it out in the open talking differently from the way it promotes itself to the public at large, it is going to have trouble sustaining itself as a green energy company.

What these knockers basically say is, 'First of all we should wait for a national emissions trading system and do everything through that'. The second sort of thing they say is, 'It will not work in the right way; there will be all sorts of transaction costs and verification costs', and they talk about distortions and so forth. The third backstop is that it might cost too much. These three ideas, while having a sort of veneer of economic respectability and consideration about them, really do not count for anything and actually just attempt to slow things down, when most people out there are convinced of the need for urgent action.

One idea is that we should wait for an emissions trading scheme and then roll it all into that, but one big market-based solution is not going to solve this problem. That is the equivalent of saying that if I want a hamburger, I have to buy it on the Australian Stock Exchange. Of course there will be many different markets providing different sorts of products. The point is that they are different product markets.

A market for large-scale efficiencies in stationary energy from coal-fired and other generators is of course going to be part of a large market or a large trading club between different generators. But an ordinary person, a householder, cannot participate in, understand or even access that market. A participant on the product side, someone who provides these sorts of energy services, cannot sustain themselves in a market where a big generator can come in and say, 'We are making a half billion dollar investment, and we have just dropped millions of tonnes of emissions credits onto our market'.

As there is for every other service and product in society, there will of course be a whole set of different markets, some of which will have different rules, different accesses and different conditions; and that is natural. We are going to have a whole range of different sorts of markets, and one will feed off the other to the extent that they will be substitutes for each other.

There is the other issue of people saying it will not work right because there will be transactions and verification costs. Even Ross Garnaut, who is the guy who has been given the job of leading the Labor Party through this problem, is out there saying, 'We have to

have an emissions trading scheme, but we have to make sure the rent seekers don't get in there'. As if the ability to dump waste product from your industry — that is, CO_2 — into the atmosphere at no cost were not the biggest rort in the history of humanity. But, no, we are really nervous about how we are going to introduce an emissions trading scheme because someone might try to rort it.

What we are going to end up with is a large number of regulatory approaches and a large number of different markets, and they will all be backing each other up. There is absolutely nothing wrong with that; there is nothing scary about that. For example, we have already heard that the federal government is going to ban incandescent light bulbs; you will not be able to buy them within a year or so. That will work along with this proposal, which is going to encourage people to change their light globes to more efficient varieties. But there will be some light bulbs that you just cannot buy because they are too inefficient. We have just said that that is it.

In the same way as we have created standards for new homes and renovations to homes, we should have regulatory requirements to set minimum standards of energy efficiency for household appliances. That is not to say you cannot have a scheme like this, which also offers certain people incentives to upgrade at various times. If there is any risk associated with this scheme at all, it is that the target would be too low and — if you can call this a risk — that there will be too many opportunities to reduce emissions. The effect of that would be — as has been the case with the New South Wales scheme — that very quickly we will generate a large number of certificates, and then the market will shut down, so that those who were just getting on their feet as providers of energy services will find that the market has been flooded and that the product they are providing is too cheap.

We can address that, because hopefully the government has learnt at least from the latter experience of the New South Wales scheme. First of all we can change the target. We can keep ramping it up and build confidence that there are a lot of opportunities out there. The second thing we can do is make it more transparent as to who is creating certificates. Investors, possible entrants into the market, need to be able to know how many certificates are out there, that the target is X and what the cost curve looks like.

If they know that such and such company already has X number of certificates, they will be able to know how much room is left in the market. That is normal in all markets. If you are in the wheat market, you have a fair bit of information coming to you about how much wheat is being planted, how much is being harvested and how much there is in different countries around the world. Good information allows a market to operate efficiently and provides maximum benefits along the way.

There is another good thing about this scheme, unlike what happens with voluntary action. If I buy green power, it costs me extra. Under this scheme everybody pays a little bit extra, and, if you choose to be green, you get the savings. There will actually be a financial incentive to be green and a disincentive not to be, and yet the opportunities to participate will be very wide.

In terms of the modelling I addressed earlier, the best estimate is that this could add not 1 per cent, not 0.1 per cent, but even less than 0.1 per cent to your energy bills. Compare and contrast that with the 17 per cent rise in energy bills that was announced just last week. The 17 per cent increase comes from the early impacts of climate change. It takes a lot of water to make coal-fired electricity, and it takes a lot of water to make hydro-electricity. Electricity in a drought gets expensive, which means that gas gets expensive as a substitute fuel.

This year for the first time I had a gas congestion charge on my gas account, and my water bills are going up as well. That 17 per cent extra on my electricity bill is just one of the early tip-of-the-iceberg costs associated with the climate change-enhanced drought. On best estimates — and I certainly think they are accurate — this scheme will mean less than a 0.1 per cent addition. It would have always made sense to have a program like this over past decades.

Ironically, as the price of electricity gets dearer the value of avoiding it and the rate of return on some of the investments I have been talking about get even higher, and it becomes an even more valuable scheme. That is why those who have submitted to this program, such as the Alternative Technology Association, Greenpeace, the Australian Business Council of Sustainable Energy, the Insulation Council of Australia and New Zealand and Professor Alan Pears from the Royal Melbourne Institute of Technology, all believe it is an incredibly valuable and effective scheme and that the costs will be low.

They know from their backgrounds that there is a large number of extremely low-cost — or actually profitable — energy-efficiency opportunities sitting out there waiting to be grabbed. In contrast, the Origin Energies of this world and, I have to say, the Liberal Party — given its contributions to the debate — are of

the knocker school, which says it is all going to be too hard. But then Origin Energy sells electricity; we are selling the avoidance of electricity. A small percentage of the economy is involved in selling energy. For the rest of the economy it is a cost. It will be bad luck for that part of the economy, but for the rest of us there will be improvements to our cost structures, our profitability and our productivity.

That is why any sensible group of policies says not just that we should not be laggard and dragging the chain on greenhouse action, and not just that we should go along with everybody else, but that the best opportunities are going to be for those who move first. The race will be won by that economy that gets itself to zero emissions first, bearing in mind that in all this talk about targets — people have talked about 20 per cent, 50 per cent and 60 per cent — there is only one target out there, and that is zero emissions.

Members have to understand that the climate will not start to repair on the day we get to zero. Whatever damage we have done, whatever changes we have made to the climate, on the day we reach zero emissions we will know our new climate. That will be the one we are going to have to live with — the variability, the droughts, the extreme rainfall events, the lower rainfall overall, the fires, the storm surges and the rise in sea levels. The day we reach zero emissions we will know our new state of affairs. Then we will be talking about sequestering and going into a carbon positive economy.

Hon. T. C. Theophanous — I do not think you or I will be around to see that.

Mr BARBER — Quite possibly my new daughter will be around to see that, Minister. Tonight we can have the satisfaction of making a decision that will mean that when in our mind's eye we cast forward to see our grandchildren looking back and reading this debate, we will see them will say, 'Righto, they had the right idea', even as they are still looking at the effects. For that reason I commend the bill to the house. I hope all parties here will soon wholeheartedly embrace these types of measures. In fact they have a great opportunity to leapfrog the proposals of the government and come up with new and better schemes and even expanded schemes. We look forward to seeing those regulations and we will scrutinise them carefully and make further comment at that time.

Ms PULFORD (Western Victoria) — The Victorian Energy Efficiency Target Bill is the result of a 2006 state election commitment by the Labor government. The Brumby government is committed to achieving cuts of 60 per cent to the state's greenhouse gas emissions by 2050 compared to 2000 levels. I do wonder if our young children will be reading this debate. I speculate they may be reading something a little more exciting, but in striving for lower emissions it is important that we set a framework that has reasonable and achievable targets and that we take action on this very important issue now.

The purpose of this bill is to promote the reduction of greenhouse gas emissions by establishing the Victorian energy-efficiency target scheme, which some of my colleagues this evening have already spoken about in some detail. The scheme provides for the creation and acquisition of energy-efficiency certificates and requires the surrender of energy-efficiency certificates by energy retailers that have more than 5000 Victorian customers. The Victorian public absolutely expects leadership from its politicians in reducing our emissions. The Brumby government is committed to providing an efficient, secure and environmentally sustainable energy system that allows consumers to access energy at affordable prices.

Some work has been done on this already and the Victorian government, as members are aware, already provides rebates of up to $1500 for solar hot water heaters. We introduced mandatory 5-star standards for new homes effective from July 2005, and we have extended the 5-star thermal performance requirement to cover renovations from May 2008. Our award-winning black balloons energy campaign has helped to raise awareness of the community's need to lift its standards and lower its emissions. This advertising campaign tells us that each black balloon represents 50 grams of greenhouse gases. The average home produces about 240 000 black balloons of greenhouse gas per annum, and this campaign plays an important part in raising awareness for all Victorians about their emissions.

Victoria is the first state in Australia to create a mandatory energy-efficiency target. The Labor Party has long accepted the reality of climate change. It is timely to note that the new Australian Prime Minister, Kevin Rudd, in his first act on the afternoon he was sworn in as Prime Minister was to take the all-important step of ratifying the Kyoto protocol — something that is incredibly overdue in this country and something that was foremost in the minds of many people when they cast their votes last Saturday week. The Premier, John Brumby, announced today that he will attend the climate change conference in Bali next week with the Prime Minister and federal Ministers Wong and Garrett.

By contrast, the Liberal Party proposed prior to the last state election that the Victorian renewable energy target should be abolished. This would have had a terrible impact, with $2 billion of investment and thousands of jobs being put at grave risk. It demonstrates the lack of commitment or a slow stepping off the plate in this area. I urge all members from both sides of the house to take the climate change issue and measures to address it very seriously.

Keppel Prince is an important wind tower manufacturer in Portland in south-western Victoria. Wind towers look pretty big as you drive past them, but when you stand in the factory, as I had the opportunity to do some months ago, up close they are really big. Keppel Prince has a remarkable manufacturing operation, churning out wind towers as fast as it can, and despite is best efforts it can barely keep up with demand. Keppel Prince employs a great many people. The company advised its employees prior to the last state election that if the Liberal Party won the election it would be at some cost to the renewable energy industry. In a letter to its 450 employees the company said:

> Make no mistake about it — if the Liberal Party wins the election on 25 November, it will effectively kill the wind industry in this town.

In August this year, unfortunately in the same part of the state, we received some bad news, with the decision by Vestas Blades to close its operation. It is a manufacturer of wind turbines and from the door at Keppel Prince you can see the Vestas factory. It was a failing of the federal government that this very important industry could not be provided with the reliable market that it needed. It is my contention that that was a real failing by the federal government with respect to that company and the people who worked there.

One f my parliamentary colleagues in Western Victorian Region, Mr Vogels, who spoke earlier in this debate, said in May of this year that he did not support wind power and that it was not the answer. In one respect I suppose he is right. It is not the answer, but it is a very important part of the solution. Mr Vogels concluded his remarks by saying that we needed a national approach. I could not agree more, but that should not preclude us from taking steps in Victoria and being part of a national approach.

Also in May of this year the Liberals in the other house rejected a motion moved by former Premier Steve Bracks calling for an effective national emissions trading scheme. I wonder how you can justify voting against supporting the idea of reducing emissions or against collaboration between states, territories and the federal government on such an important matter. We have discussed in this debate the importance this has to future generations.

This scheme works in a number of ways. It aims to reduce household energy use as a quick and relatively inexpensive way of reducing greenhouse gas emissions in the short term. A third of Victoria's energy use occurs in the home, and this scheme is an opportunity to reduce energy use in the household and save the average household $45 per year through participating in the scheme.

We know from our experience of managing our scarce water resources that these complex problems require a group of hybrid solutions. As we have all adapted to timers in our showers, buckets at our feet and carting bathwater through the bathroom window to keep the garden alive, so too must we adapt our energy use in the form of electricity and gas. We know, because our experience in managing our water use in recent years shows it, that people want to be informed about the best ways they can manage their resources and look to government for leadership on this issue. That approach has yielded great results in the area of water conservation, and I believe it will do the same in energy conservation. We estimate that in the first phase of the scheme — the first three years — we will save 8.1 million tonnes of gas, in effect making 675 000 households carbon neutral for a year. New targets will be set for every three years following the first three years of the scheme.

This scheme will encourage further investment, employment and technology development in industries that supply goods and services which reduce energy use. Industries growing and being able to thrive in an environment where there is some security for them can only be good for investment, for research and development and for jobs in places like Portland.

The Essential Services Commission will oversee the administration of this act by monitoring and administering the creation, registration, transfer and surrender of certificates. Certificates are accredited for each whole tonne of carbon dioxide equivalent of greenhouse gases which are to be reduced by a prescribed activity. For example, if an energy company introduces a measure for a customer to reduce their energy emission by a tonne of greenhouse gas, the energy company receives one certificate.

This act will put the onus on the market to promote measures to reduce greenhouse gas emissions while lowering energy costs for householders — or retailers will face penalties. This scheme is modelled on similar

schemes in Europe and financially rewards retailers that have excess certificates as they can onsell their certificates to other energy retailers that have not met their target. Certificates can be created for things such as 5-star appliance use, switching to energy sources such as solar, which produces less greenhouse gas, and switching to low-emitting light bulbs. Certificates can be banked for up to six years. As earlier speakers have indicated, the scheme will be reviewed in 2011.

We have absolutely no time to waste in this important area. This is a very tangible measure to enable us to assist Victorians to reduce their energy use and their emissions, and I urge all members to support the bill.

Mrs KRONBERG (Eastern Metropolitan) — In rising to speak on this bill I will say from the outset that I will not be opposing it. I have some areas of concern, however, that I do wish to highlight. We all agree that any method of reducing greenhouse gases is important and timely, and this legislation goes some way to ameliorating greenhouse gas emissions. However, there are some pockets of the legislation that warrant tweaking and closer scrutiny, and perhaps to some extent it could be done in a way other than simply using the template of another legislative framework.

The purpose of this bill is to subsidise the purchase of energy-efficient appliances and other energy-efficiency improvements with funds raised through higher gas and electricity prices. The legislation encourages consumers to switch to energy-efficient appliances and goes some way towards addressing market barriers to energy efficiency for householders. The scheme also sets a target for energy savings and allocates this to energy retailers, requiring them to meet their own targets through energy-efficiency activities. According to the Department of Primary Industries fact sheet on the Victorian energy-efficiency target scheme, or VEET, the scheme is designed to provide householders with energy-efficient products and services at little or no cost. This is where I have a difficulty in terms of what this legislation will do by inflicting yet another layer on increasingly high-price energy regimes.

The bill also cuts across the national emissions trading scheme, which even the Rudd Labor government, with its tendency for me-tooisms, is likely to replicate. The bill introduces yet another state-based scheme that will, because of its complexity, usher in an enormously costly administrative regime. Even with this burden, unfortunately it will still achieve very little benefit. It is likely to cause an increase in the cost of electricity and gas to families on top of the recently projected increase because of the reduction in hydro-electric output and the pressures on the Yallourn power station due to equipment being washed out by the floods. It will be difficult to define and administer, and there is a whole raft of possibilities for abuse as well.

Unfortunately the scheme is not targeted to low-income consumers. In fact it is wealthy families with the capacity to invest in energy-efficiency improvements, such as aggressive retro fits, who will be subsidised by low-income consumers who are not able to join in the scheme because they simply cannot afford the alterations required to make a difference. I pick up on what Mr Barber was saying about looking for schemes, systems and approaches that actually cut into emissions outputs in a meaningful way. I share his concern about these sorts of bandaid, token, feelgood, event-driven activities.

It seems that many elements of what the government proposes in this bill are a direct lift from the policy platform of the New South Wales government. In 2003, as part of its greenhouse gas abatement scheme, it introduced an energy-efficiency certificates trading scheme, which enables electricity retailers and other parties to meet their mandatory targets for reducing emissions by purchasing or surrendering tradeable certificates. This scheme has been described as an equitable way for the burden of greenhouse gas emission reductions to be shared between the corporate suppliers and their consumers.

The bill will enable an accredited person to create energy-efficiency certificates for prescribed activities. Accredited persons who are consumers can create their own certificates. Non-accredited consumers can assign to an accredited person the right to create certificates based on the consumer's prescribed activities. Prescribed activities will include the purchase of energy-efficient residential appliances, such as energy-efficient hot-water systems, and the improvement of energy efficiency within a building. While this is an important start to overdue emissions reduction projects, the built environment should also be a priority for practical action on the part of the government.

It is worthwhile quoting from an article published in the *Age* of 1 September, drawing on a report by the Intergovernmental Panel on Climate Change (IPCC):

> Buildings have emerged as one of the main causes of global warming, with a major international study showing that they produce 10.6 billion tonnes of carbon dioxide emissions a year —

and this represents more than one-third of the total from human activity. However, according to the IPCC analysis:

> … residential and commercial buildings have the potential for the most dramatic and affordable greenhouse gas cuts of any sector in the coming decade.

We will have to wait and see just what the government proposes for emissions emanating from commercial buildings, because this piece of legislation places the emphasis on residential properties. Commercial buildings should also be an area of major concern, as greenhouse gas emissions emanating from commercial buildings have been rising at a faster rate than at any time in the past.

The government could go further. Tougher building codes are required. We all recognise that aggressive renovations are needed in many situations for appreciable change to be effected. It seems to me that this government has missed many opportunities to encourage property developers and consumers to adhere to sound energy-efficient design principles that would deliver inspirational housing stock.

When houses are designed in the 21st century, I firmly believe that they should take into account design principles which optimise passive solar design — such as those regarding window size, location, shading and general orientation — and not just be plonked on any plot of land in any way, as we see far too frequently, in particular across the greenfield developments in metropolitan Melbourne. Frankly it is disappointing that so many houses are now being built on smaller blocks and that elements from European styles, such as the Palladian style, remain fashionable. This type of housing design is devoid of eaves and verandas and relies heavily on open-plan floorscapes and abundant air conditioning, at great cost and with massive output of greenhouse gases — all the black balloons that the state government sees as being symbolic of the problem. Put simply, we need more houses with eaves and verandas.

Whilst this is an attempt on the part of the government, which coveted the framework put down by its Labor counterpart in New South Wales, it will ultimately mean that we have to face the rising cost of energy while accommodating this clumsy administrative burden for both suppliers and consumers. We will have to swallow this bitter pill.

Mr THORNLEY (Southern Metropolitan) — I think the time allotted for this debate is nearly up, so I will try to be brief. However, I will address some of the issues that other members have raised. I rise to also support the bill.

As Mr Barber, among others, pointed out, the great thing about this bill is that this is the really easy stuff. This is where you save people money and also save carbon, so we do not have the sort of trade-offs that are more complicated. Despite that, there are a number of things people can do which will save them money and which they are not necessarily in a position to make a calculation about. I think Mr Barber gave us all an object lesson in the microeconomics of that issue; I will not go through the cost curve analysis. McKinsey and Company recently did a study of the cost-curve of the entire carbon market for the planet. Lo and behold, the issue at the far left-hand end of the curve was this type of energy reduction. The single most cost-effective — and indeed it is not cost-effective because it is profitable — way of reducing carbon is energy efficiency in existing locations. This bill of course takes up that opportunity in a very sensible way. This sort of stuff is practically happening on the ground. I think it would be wise to give this stuff a kick along with these sorts of incentives.

Recently, I was talking with colleagues at the City of Glen Eira. They are working through a pilot scheme with an operator who is offering to replace people's light bulbs for nothing in exchange for the share of the savings they will receive. This is part of the wider point of this issue; which is an elaboration of Mr Barber's point about the 7.15 per cent cost of capital. That is not a calculation that everyone can make, but it is one that other sources of capital can make. When you create markets like this, you then create the opportunity to bring in low-cost outside capital to make investments that ordinary households cannot always make despite the fact that it would be in their financial interests to do so if they had spare cash. When they do not have spare cash, then you find someone else who does and everybody can win from that, which is what this program allows you to do.

The other thing which is really smart about this issue is that by engaging energy retailers, appliance retailers and consumers, you have a self-reinforcing message. We are really trying to change behaviour. We are trying to get people to capture available opportunities to save money. By having that message coming at them from their energy retailer and appliance retailer, which is in their own interests, we are not just creating a financial incentive but we are changing the conversation that takes place and bringing everyone's attention to the task. I think that is extremely exciting.

One thing I am hoping to see is that the breadth of appliances and other things which are captured under this bill will include the new distributed cogeneration technology which is now available. That will allow consumers to replace external generation with internal generation by hooking up a small cogeneration unit in

their home to the reticulated gas network, thus generating their own electricity coming off gas. That will give them a 60 per cent reduction in emissions that they would not achieve by taking electricity from the grid generated by brown coal. That is another example of how we can dramatically reduce greenhouse gas emissions. If we can find a way for the capital cost of that being caught up in this issue, it will create opportunities for people in yet another way.

I want to address the issue of Ross Garnaut and the rent seekers. I think the point about rent seekers in the carbon trading market is that the biggest rent seeking game of all — next to, as Mr Barber said, people currently getting away with paying no economic rent at all for their externalities — is gaming in the carbon trading system by getting credits up when the system gets grandfathered in the first place. It is really important that we do not allow that gaming to occur. That is part of what occurred in the original European market. If Dr Garnaut is focused on that as the problem, which he clearly is, that is the single biggest opportunity for rent seekers to disadvantage the rest of us as we bring in an emissions trading scheme. It is entirely appropriate that Dr Garnaut and others are on guard against that type of behaviour.

Finally, when looking at the possibility of electricity prices having to continue to rise by significant levels, we would probably arrive at the point where the average rise in electricity costs may be above the average cost of capital for the household that Mr Barber spoke about. If that is the case, it makes a complete and utter financial no-brainer to ensure that somebody, whether it be the individual consumer, some other investor or, as in this case, partly the energy retailer, provides that capital, because you are essentially creating value from nothing by saving things that are appreciating at a faster rate than the cost of money itself. In that context, I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — By leave, I move:

That the bill be now read a third time.

In doing so I would like to thank all members who spoke on the bill during the second-reading debate. It is especially pleasing to see this bill come to fruition, because it was flagged as an initiative which was taken to the last election when I was Minister for Energy Industries. I personally proposed that initiative in that context. It is pleasing to see this initiative come to fruition in the form of this bill coming to this house. It is an initiative which will help to reduce greenhouse gases in the environment. I commend it to the house.

Motion agreed to.

Read third time.

ADJOURNMENT

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — I move:

That the house do now adjourn.

Merri River: pollution

Mrs COOTE (Southern Metropolitan) — My adjournment matter this evening is for the Minister for Environment and Climate Change, and it is to do with the Merri River in western Victoria. The Merri River is on the western side of Warrnambool and the Hopkins River is on the eastern side. Warrnambool itself is a name that means a position between two rivers. The problem with the Merri River at the moment is what I wish to bring to the attention of the minister tonight.

This river is in dire need of assistance. Indeed $15 million is required to assist the Glenelg Hopkins Catchment Management Authority (CMA) to fund this catchment area, which will help to assist in having the Merri River cleaned up. The problem with this river is as was announced in the Warrnambool *Standard* of 24 November, in an excellent article by Alex Johnson. It states:

> The Merri River is not safe to swim in because of unhealthy levels of faeces in the water.
>
> Glenelg Hopkins CMA chief executive Peter Butcher said a combination of pollutants from agricultural and urban run-off had reduced the water quality to below the standard deemed safe for swimming.
>
> Bacterial tests conducted in June revealed unsafe levels of E. coli from human and animal faecal contamination, he said.

The health of our rivers is vital. Once a river has got to the stage whereby the E. coli level is unsustainable, the whole environment of the river starts to decline dramatically, endangering fish stocks and the quality of the river itself. It is important to address this issue now before it gets out of hand. The Merri River is at an unacceptable level at the moment. A Parks Victoria spokesperson said in regard to the Merri River:

> If you have a healthy system, then everyone wins.

A healthy system can only be attained if there is a healthy level of funding to make the river healthy. I ask the minister to make $15 million available as a matter of urgency to assist the Glenelg Hopkins CMA to enable the Merri River to be cleaned up.

Building industry: skills training levy

Mr HALL (Eastern Victoria) — I wish to raise a matter tonight for the attention of the Minister for Skills and Workforce Participation in the other place regarding the distribution of industry training funds in the construction industry. This matter was brought to the attention of The Nationals by correspondence received from the Association of Wall and Ceiling Industries and also the Master Painters Association of Victoria. I understand the issue raised with us concerns the fact that within the construction industry the Construction, Forestry, Mining and Energy Union building and construction industry enterprise agreement 2005–08 introduced what is called a training levy and that the majority of commercial building and construction industry employers are required to make weekly payments to the Redundancy Payment Central Fund Ltd trading as Incolink. I understand that levy paid by the employers to be in the order of $4.50 per employee per week.

The training fund is a very useful fund for the purposes of providing ongoing training to the various members who practise particular trades within the construction industry. Prior to this EBA (enterprise bargaining agreement) being in place, as a matter of process the various trade associations made application to Incolink for particular programs to be paid for out of that training levy, and that money was disbursed by the board of Incolink for that purpose. However, in a letter dated 29 November to me from Mr Mark Amos, who is the general manager of the Master Painters Association of Victoria, it is claimed that:

> Incolink is controlled by both the Master Builders Association … and the unions, and they have deemed themselves to be the exclusive providers of training for the whole of the construction industry.
>
> That in itself would not be totally bad if they were able to satisfy our specific training needs — but they cannot and do not.
>
> Our workers are in need of trade-specific training that the current situation is unable to satisfy.

I am not in a position to comment on the merits of those arguments, but the fact of the matter is that it seems there are many trade associations in the construction industry which are not providing appropriate training for the employees due to the sheer fact that they are unable to access those training funds paid as part of that EBA. My request to the Minister for Skills and Workforce Participation is to investigate this matter and to ensure that the training needs of the construction industry are met by the equitable distribution of training funds paid to Incolink.

Asbestos: task force

Ms PENNICUIK (Southern Metropolitan) — My adjournment matter is for the Premier. Firstly I would like to extend my condolences to the family and friends of Mr Bernie Banton, who died last week. Mr Banton was courageous and persistent in his public fight, supported by the ACTU (Australian Council of Trade Unions) and individual unions, for compensation for the thousands of Australians who will suffer from asbestos-related illness.

The DEPUTY PRESIDENT — Order! I ask Ms Pennicuik if the issue she is addressing is also the subject matter of her request to the Premier.

Ms PENNICUIK — No, it is not.

The DEPUTY PRESIDENT — Order! This is an additional one. Members can raise only one matter, so I am afraid I will have to rule out what Ms Pennicuik has so far raised. I am reluctant to do so, as I appreciate the sensitivity of the matter, but I advise her that it would be better to raise the issue in another context later in the week, because unfortunately on the adjournment she can raise only one matter, and it must be something within the jurisdiction of the minister to whom it is addressed — in this case, the Premier. I ask the member to start again.

Ms PENNICUIK — I will start again, with your indulgence, Deputy President. Thank you for your assistance.

The DEPUTY PRESIDENT — Order! As I said, I am reluctant to so rule, because I realise the nature of the subject matter, but I am afraid the standing orders for the adjournment debate are very specific. I ask Ms Pennicuik to move on to the item that is actually to be addressed to the Premier.

Ms PENNICUIK — Australia has the highest known rate of mesothelioma in the world. It has been estimated that there will be 56 000 asbestos-related deaths by 2020. This is the legacy of the continued use of asbestos in Australia, even when its deadly qualities were well known. In the 1970s and 1980s Australia was using up to 700 000 tonnes of asbestos every year, and now millions of tonnes remain in homes, garages, sheds, holiday shacks and workplaces. George Wragg

aptly named it the asbestos time bomb in his 1995 book.

Due to a hearing of the Select Committee on Public Land Development I was unable to attend the Asbestos Awareness Week ceremony at Federation Square on 27 November. However, I fully support the campaign that has been conducted by the Victorian Trades Hall Council, the Asbestos Diseases Society of Victoria and the group called Gippsland Asbestos-Related Diseases Support. This campaign calls for a coordinated campaign by the state and federal governments to clean up all asbestos in the community.

In Victoria an estimated 500 000 buildings still contain asbestos, and 325 000 of those are houses. We are now seeing increasing numbers of people in their 40s who are succumbing to asbestos-related diseases caused by exposure in the home when they were children. I personally know of the tragic death of a beautiful young man who died from mesothelioma at the age of 21. Ballarat mother Liza Moran and Ms Anita Steiner, both in their 40s, who have contracted mesothelioma after being exposed to asbestos in their homes as children, added their voices to calls for more action on asbestos.

Victoria should follow the lead of the Australian Capital Territory dangerous substances legislation to ensure that home and building owners are required to audit for asbestos at set trigger points, including when applying for planning permits, selling property and letting property, to notify tradespeople of the existence of asbestos. We need properly licensed asbestos removalists and asbestos auditors and assessors with stringent training and qualifications. Victoria also lags behind states which have designated dust diseases legislation and tribunals. We need a renewed commitment to health surveillance and monitoring of workers who have been exposed to asbestos, and we need continued funding for research.

My request of the Premier is that he take this issue to heart and urgently convene a task force that includes ministers for health, housing, consumers affairs, WorkSafe, small business et cetera, to coordinate a whole-of-government approach to the eradication of asbestos from the community. So much could be done in the three years between now and the next election to put in place that whole-of-government approach.

The DEPUTY PRESIDENT — Order! Can I indicate that I am happy enough with the remarks Ms Pennicuik made at the outset of her adjournment issue because they were related to the actual question. The member did herself a bit of a disservice, because I got the impression from the Chair that they were not entirely related and that she was raising two matters, but from my point of view there was a correlation between her opening remarks and the actual request. I treat the opening remarks more or less as preamble to the request, therefore the entire adjournment matter as far as I am concerned was in order. I am sorry if I stopped the member midstream.

Rail: level crossing safety

Ms TIERNEY (Western Victoria) — My adjournment matter is for the Minister for Public Transport in the other place, Lynne Kosky. I ask the minister to provide me with information on any future planned level crossing upgrades in the Barwon south-west region. Two weeks ago $750 000 in upgrades were completed in the Colac Otway shire, significantly improving safety for road users. In the last financial year 57 road and pedestrian level crossings were upgraded, and this financial year the Brumby government is on track to upgrade a further 46 level crossings. That is 103 level crossings to be upgraded in two years — more than the Kennett government could manage in seven years.

In the Barwon south-west region alone there have been 23 level crossing upgrades since 2000, with the latest being at Swan Marsh and Pirron Yallock. These crossings previously had no flashing warning lights or audible warnings but now have been fitted with flashing lights to alert drivers and pedestrians to oncoming trains. These level crossing upgrades are all part of the Brumby government's commitment to improve safety at level crossings across Victoria.

I know that the constituents in Western Victoria region, along with the many visitors who come to western Victoria, appreciate the work that has been done, and I look forward to hearing about future upgrades of level crossings in that area.

The DEPUTY PRESIDENT — Order! To ask a minister simply to provide information on future level crossing upgrades is not an action as such. I give the member an opportunity to ask the minister — —

Ms TIERNEY — Provide it to me in writing?

The DEPUTY PRESIDENT — No. The purpose of the adjournment is for the member to seek an action. We have already discussed writing letters and so forth and whether or not that constitutes an action. In this context all the member has asked for is information from the minister, which presumably could be that she has requested him to send her a future press release. That is not good enough. The member has to request

some action, so perhaps she might in the time available consider whether or not there is a particular project amongst the ones she has mentioned which she would like the minister to take some specific action on.

Ms TIERNEY — I would request then, Deputy President, that an actual timetable be provided to me in writing over the next couple of weeks.

The DEPUTY PRESIDENT — Order! I will accept that.

Odyssey House, Molyullah: funding

Ms LOVELL (Northern Victoria) — My adjournment debate issue is for the Minister for Community Services in the other place, Lisa Neville. It concerns the desperate need for state government funding for the Odyssey House rural drug and alcohol rehabilitation centre at Molyullah near Benalla.

The centre is currently closed, and the action I seek from the minister is that she provide adequate funding to immediately enable the centre to reopen. This facility previously operated for two periods during 2005 and then again in 2006–07, and during that time it saw over 120 residents. These services were provided through $600 000 of federal funding.

On 7 August I gave a notice of a motion calling for the state government to fund this facility, but unfortunately this did not happen and the centre was forced to close its doors on 5 September. Ironically, since that time two extraordinary things have taken place. The first was that Mr Evan Thornley asked me a question about that notice of motion. Unfortunately, he only asked me about notice of motion 36, and I was unable to locate it on the notice paper, or my answer would have been very embarrassing for the state government.

The second extraordinary thing was that in November the centre received an international award for excellence from the Australian Therapeutic Community Association for the most innovative program in Australia and New Zealand in 2007. Last week a letter to the editor from Andrew Hicks, who was one of the managers at the facility, appeared in the *Herald Sun*. I cannot remember his exact title. Mr Hicks said:

> If Premier Brumby is fair dinkum about tackling Victoria's alcohol problem, he will immediately authorise funding for the Odyssey House residential rehabilitation centre near Benalla.
>
> The program, which recently won an international award for excellence, has closed because of a lack of state funding.

He went on to say:

> This centre was full from the moment it opened until the moment it closed, with a huge waiting list.
>
> It catered for the needs of country Victorians and, according to the Australian Therapeutic Community Association awards panel, it was the most innovative program in Australia and New Zealand for 2007.
>
> To let this kind of program go to waste, along with the staff, at a time when Victoria is suffering from a plague of alcohol-related problems seems absurd.

I think Mr Hicks has hit the nail right on the head with that: it does seem absurd that the government has let this facility at Benalla close. We have a need in country Victoria for this facility to reopen, and I urge the minister to provide adequate funding to enable it to reopen immediately.

Environment: grasslands clearing

Ms HARTLAND (Western Metropolitan) — My adjournment matter tonight is for the Minister for Environment and Climate Change, Mr Jennings. Victoria's western basalt grasslands originally stretched from Melbourne to nearly the South Australian border. Only tiny remnants of this ecosystem are left. Many of these remnants are concentrated around the western edge of Melbourne and in the green wedges.

The clearing of native grasslands is continuing and appears to have accelerated in recent years. Hundreds of hectares of grasslands are cleared per year across Werribee and Melton Plains, while thousands of hectares have been lost over the past few years across the western plains.

Much of the grassland clearing is illegal, but compliance action by local government is rare. Local councils can only enforce small fines, and they do not have the resources to pursue matters to court. The Department of Sustainability and Environment (DSE) should be playing a lead role in assisting councils to pursue enforcement action.

I was recently alerted to a number of ancient grey box trees being illegally felled at Clarkes Road, Caroline Springs. These trees were part of a plains grassy woodland. Due to their great age, these trees are irreplaceable. The developers were only fined $1100 — petty cash, in reality — because currently that is the maximum fine that local councils can apply. The developer was required to apply the same offset as if he had felled the trees legally. It is obviously much cheaper for developers to illegally clear than apply for a permit.

I call upon the environment minister and the planning minister to review penalties for illegal clearing so that they become a deterrent, not an incentive. We notice when trees are felled because we see the bleeding stumps, but the loss of grasslands goes unnoticed except for a few fantastic campaigners who all deserve medals, in my opinion.

Ecologists at RMIT and DSE are currently investigating an effective grasslands reserve network for Melbourne's western green wedges. I call upon this government to ensure adequate funding is available to secure the reserve network and for its ongoing management.

The DEPUTY PRESIDENT — Order! I will rule that the item is directed to the Minister for Planning. I am not sure what the member's initial opening gambit was. The Minister for Environment and Climate Change may well have some input into the deliberations, but the item, as far as I am concerned, is for the Minister for Planning and is about the review of penalties.

Water safety: Play it Safe by the Water campaign

Ms DARVENIZA (Northern Victoria) — The matter I wish to raise is for the attention of the Minister for Police and Emergency Services in the other house. The matter concerns water safety. Given that we have now hit summer, I think it is timely for us to look at water safety, and I am particularly interested in the Play it Safe by the Water campaign that was recently launched by the minister. In launching that campaign the minister recognised Victoria's 6000 lifesavers and the vital role they play as well as Victorians needing to take some responsibility for staying safe when they are in and around water.

Specifically my request to the minister is that he take action to ensure that the message and the information around this Play it Safe by the Water campaign gets through to rural and regional Victoria. I have a specific interest in it getting through in northern Victoria, but more than that I have an interest in it getting through right around rural and regional Victoria. The Play it Safe by the Water campaign is about always watching children when they are around water, never turning your back on them, teaching them to never swim alone and teaching them to look before they leap.

The government has spent millions of dollars renovating and refurbishing a lot of swimming pools around rural and regional Victoria. They are a real focal point for communities, particularly in drought-affected regions. They are being very well frequented. I was in Beulah just the other day at the side of the pool there to open a new toilet and change room facility. Swimming pools really are a focal point, and it is very important that the minister get this message through to rural and regional Victoria. There might be a smaller number of people using the pools than in the city, but they do not have beaches and they are not using rivers and waterways in perhaps the way they have done in the past because of the drought. Certainly we have a lot of swimming pools and a lot of people who are using those pools and waterways. I want the minister to take action to make sure this message gets through to rural and regional Victoria.

The DEPUTY PRESIDENT — Order! I am perplexed about the adjournment tonight, because some members do not seem to actually understand what the adjournment is about. It is not a sufficient action to ask the minister to ensure that the message gets through. That is not an action. The member's time has expired, but I will give her a short time to provide me with a specific action that she requests of the minister. As I said, to see that the message gets through is not an action.

Ms DARVENIZA — The minister has recently launched the Making Victoria Water Safe campaign, which has in it very specific messages, information and programs that are part of that campaign. What I want the Premier to do is ensure that that program is communicated and is put out in communities in rural and regional Victoria. That is the action that I want: that that campaign message and all the information that goes with it gets through to rural and regional Victoria.

The DEPUTY PRESIDENT — Order! On this occasion I will allow it, but I have noticed that quite a number of the adjournment matters Ms Darveniza raises are about extending existing government programs, and the thrust of her adjournment matter is to make sure they are communicated in country or rural Victoria. Frankly I would have thought that was something the minister would already be doing, that there would already be a communication strategy and that Ms Darveniza was not seeking that the minister take some specific action above and beyond on behalf of her constituents. On this occasion I will allow it, but I suggest that in future Ms Darveniza be a little bit more specific about the actions that relate to her electorate or about what she is seeking to have the minister actually do.

Ms DARVENIZA — Thank you for that, Deputy President. I mean this program has had a real focus on the beach and beach activity, but — —

The DEPUTY PRESIDENT — Order! We cannot debate it. I accept it on the basis that the member wants to take the messages through, but as I said, we need a request for action from the minister. It does not necessarily have to be specific in terms of an individual thing, but it certainly needs to be action orientated. The minister will be able to provide an answer on that matter.

Station Road, Gisborne: speed zone

Mrs PETROVICH (Northern Victoria) — My matter on the adjournment is for the Minister for Roads and Ports in the other place. As this school year draws to a close I wish to request that the minister employ common sense on an issue of major concern in the Gisborne area that VicRoads has chosen to skirt around.

For some time the Macedon Ranges Safety Committee, which I chair, together with the district inspector of Macedon Ranges police, has been requesting that VicRoads review the safety conditions for schoolchildren from Gisborne Secondary College who have to alight from a bus and cross a busy street which has a speed limit of 70 kilometres an hour. Station Road connects the Gisborne township with the northernmost interchange on the Calder Highway. Vehicles wishing to travel through to Melton or Bacchus Marsh from the north use this designated main road. Not surprisingly, it carries considerable traffic. Schoolchildren boarding and alighting from school buses at the designated stops are required to use and cross this road. Not only has it got a speed limit of 70 kilometres an hour, but there is also limited visibility because the bus stops are just below the crest of the road. It is my view and that of the local police force that this is unfortunately a disaster waiting to happen. It is only a matter of time before one of our children gets hit by a vehicle and seriously injured.

When we wrote to VicRoads about this issue the reply from the northern region's manager, Mr Mal Kersting, was at best blasé and at worst careless. His response was to say there was a painted median near the bus stop which the bus patrons should be encouraged to utilise to safely continue their crossing — another case of white-line fever. Why does VicRoads believe a bit of painted section on the road is going to give protection and guarantee anybody safety? VicRoads also suggested it had removed roadside vegetation to improve sight lines to the bus stop. Guess what? The vegetation has grown back, and the crest is still there.

The action I seek is for the Minister for Roads and Ports to give an early Christmas present to the schoolchildren of Gisborne and direct VicRoads to reduce the speed limit during school hours to approximately 40 kilometres an hour on Station Road, Gisborne.

Rail: level crossing safety

Mr KOCH (Western Victoria) — My matter is for the Minister for Public Transport in the other place and concerns level crossing safety in rural Victoria. This issue has been raised often in recent times, both in this Parliament and by the Victorian community, particularly in rural and regional Victoria.

In response to numerous fatalities, culminating in the catastrophic Swan Hill line accident in June that claimed 11 lives, the government set about implementing measures to improve safety at level crossings. It is hoped the installation of automated advance warning signs, rumble strips, trialling red-light cameras and a rigorous level crossing offences regime will improve safety at some of the more dangerous level crossings across the state. But motorists speeding through level crossings in an attempt to beat oncoming trains are a major problem and will require a significant change of attitude on the part of those who fail to calculate the risk not only to themselves but to train drivers and rail passengers, who have no way of preventing a tragedy if the motorist has miscalculated an attempt to beat a train.

There is, however, another aspect to level crossing safety which is often overlooked. This has been an ongoing problem in rural areas for many years, and it increases during the harvest season. Truck drivers regularly face the problem when they approach a back road level crossing that is passively protected with a stop sign and the crossing is not at right angles to the road. After stopping at the crossing and finding they can see only a short distance up the railway line to their left, they have to take a gamble that a train is not approaching the crossing. From a standing start a truck, depending on its size, will take up to 15 seconds to completely negotiate the crossing. In the same time a train travelling at 100 kilometres an hour will travel 417 metres. If a truck driver can see only a short distance to the left, it may not be possible for them to clear the crossing if a fast-approaching train arrives. Part of the problem seems to be that placing stop signs rather than give-way signs at these level crossings increases the danger for heavy vehicle drivers.

The government is now jumping into action in relation to rumble strips, additional signage and lights which will flash well in advance of trains crossings at some 200 more dangerous level crossings, but it is ignoring the many rural low-use crossings that pose just as much danger. My request is for the minister to urgently

address these safety concerns at poorly designed crossings in rural Victoria.

Calder Freeway: funding

Mr FINN (Western Metropolitan) — I raise a matter for the attention of the Minister for Roads and Ports in another place. It concerns the issue of the Calder Freeway. As I have previously explained to the house, the Calder Freeway is nothing short of a disaster at peak hour. Congestion on the Calder has over recent years gone well beyond a joke. In the mornings it can take half an hour or more to travel just 1 kilometre at Keilor. In the evenings motorists face gridlock from the Western Ring Road, and once they are clear of that they are confronted with a particularly dangerous stretch of freeway from Sunshine Avenue to the Thunderdome. VicRoads has 'solved' — and I use that term very loosely and in inverted commas — the problem by imposing an 80-kilometre-an-hour speed limit on that section of the road. It is surely unique on the Australian freeway system to solve a problem of safety by imposing an 80-kilometre limit on a stretch of freeway.

When I have raised this matter before, the minister has blamed the previous federal government and gave the standard response — that is, 'Until such time as the cash comes from Canberra, there is nothing we can do'. Deputy President, you may have noticed that over the last couple of weeks things have changed, which gives this government no further excuse for inaction. During the federal election campaign the federal Labor Party made certain promises in relation to improvements on the Calder — commitments of substantial sums of money. I ask the minister to immediately extract the promised and necessary funding from the new federal government and to begin works to make this section of the Calder Freeway safer and smoother for residents of north-western Melbourne and indeed beyond.

Rail: state levy

Mrs PEULICH (South Eastern Metropolitan) — I raise a matter for the attention of the Minister for Planning. Initially I contemplated raising the matter for the attention of the Treasurer, because there is some doubt as to whose responsibility this is and who has been responsible for issuing instructions. The matter concerns the state railway levy, which has been collected since 1993, for the Cranbourne East railway station and the Lyndhurst development contributions plan (DCP) levy collected by the City of Casey under overlay 45.06 of the Casey planning scheme in order to build this very important infrastructure, which is very much overdue.

When I made inquiries as to how much money was in the fund, I was informed that the Cranbourne East development contribution plan contained $1 153 692. By contrast, the Lynbrook-Lyndhurst DCP was in deficit to the tune of $672 291, despite an amount in excess of $1 248 000 being collected. I was given the explanation that the money was used to develop very important and rail-related infrastructure, being an underpass. When I went to the site to have a look, I could see that there was an underpass that connected two sides of an estate. Certainly it was much needed, but dare I say that it was not directly related to the railway infrastructure for which this levy has been planned. The Department of Infrastructure website outlines all the features, but nowhere does it mention this underpass. As I said, it is a common-sense initiative, but funding for it should not have come out of this fund.

I call on the Minister for Planning to investigate the misuse of nearly $1.25 million of these funds for much-needed infrastructure. Clearly it has been misused for another purpose. I do not believe responsibility for that decision is not borne by the City of Casey, but the decision was made by the state government. I am not sure whether the decision was made by the Minister for Public Transport or the Minister for Planning, but clearly the levy has been misused and the funds need to be returned for the purpose for which they were intended. I believe this matter is in breach of the guidelines, and the government ought to make sure that the levies which are collected are retained for the purposes for which they are collected and intended.

Ambulance services: Whittlesea

Mr GUY (Northern Metropolitan) — I raise a matter for the attention of the Minister for Health in another place. It concerns the construction of a 24-hour ambulance station in Whittlesea. Whittlesea township is at the northern end of one of the fastest growing urban zones anywhere in Australia, and it is an area that has been going through an unprecedented population boom over the last decade or so. At present ambulances have to travel 22 kilometres along Plenty Road to get to Whittlesea and the surrounding district from a station located in Epping. It is a situation that many believe is completely unacceptable.

At this point I want to remind the house that going to the last election the Liberal Party presented a fully funded and sensible policy to create a 24-hour, fully staffed ambulance station in Whittlesea township. We made this pledge in recognition of the township's importance and the necessity of emergency health

services in an area that is spreading further and further away from existing services and is, as I have said, booming in numbers. Unfortunately the government did not follow suit. Instead it promised a 12-hour Plenty Road service focusing on Whittlesea and the Plenty Road corridor, but based in Epping.

This issue tonight is all the more urgent, and indeed a lot sadder, as local news has emerged of the collapse and eventual death of a 29-year-old Whittlesea woman in late October from a suspected heart attack. The young woman collapsed at home in the early hours of the morning on Sunday, 21 October. Reports indicate that the ambulance took 23 minutes to get to her from Epping. There is no question about the dedication of the paramedics who got there as fast as they could — in fact 23 minutes from Epping to Whittlesea indicates that the officers knew this case was a serious emergency, but this tragic case does highlight the necessity for a 24-hour ambulance station in Whittlesea township.

The Ambulance Employees Association general secretary, Mr Steve McGhie, has been quoted in local media as saying of this case that it took 23 minutes to get to this woman, but if an ambulance had come from Whittlesea the question would be, 'With earlier treatment, what could have happened?'. Tonight I seek action and again ask the Minister for Health to reconsider the government's decision and to immediately begin construction of a 24-hour ambulance facility in the Whittlesea township.

Responses

Hon. T. C. THEOPHANOUS (Minister for Industry and Trade) — Matters were raised by Mrs Coote, Mr Hall, Ms Pennicuik, Ms Tierney, Ms Lovell, Ms Hartland, Ms Darveniza, Mrs Petrovich, Mr Koch, Mr Finn, Mrs Peulich and Mr Guy for a variety of ministers and for the Premier. I will ensure that they are passed on for answer direct to the members.

The DEPUTY PRESIDENT — Order! The house stands adjourned.

House adjourned 10.27 p.m.