

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-SIXTH PARLIAMENT

FIRST SESSION

Thursday, 16 October 2008

(Extract from book 14)

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By authority of the Victorian Government Printer

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

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

Standing Committee on Finance and Public Administration — Mr Barber, Ms Broad, Mr Guy, Mr Hall, Mr Kavanagh, Mr Rich-Phillips and Mr Viney.

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

Joint committees

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

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

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

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

Electoral Matters Committee — (*Council*): Ms Broad, Mr P. Davis 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*): Mr Noonan, 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 Mr Foley.

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

Public Accounts and Estimates Committee — (*Council*): Mr Barber, Mr Dalla-Riva, Mr Pakula and Mr Rich-Phillips. (*Assembly*): Ms Munt, Mr Noonan, 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

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FIFTY-SIXTH PARLIAMENT — FIRST SESSION

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Coote, Mrs Andrea	Southern Metropolitan	LP	Mikakos, Ms Jenny	Northern Metropolitan	ALP
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Davis, Mr David McLean	Southern Metropolitan	LP	Pennicuik, Ms Susan Margaret	Southern Metropolitan	Greens
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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
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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
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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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LAKES ENTRANCE**Thursday, 16 October 2008****The PRESIDENT (Hon. R. F. Smith) took the chair at 9.34 a.m. and read the prayer.****BUSINESS OF THE HOUSE****Adjournment****Mr JENNINGS** (Minister for Environment and Climate Change) — I move:

That the Council, at its rising, adjourn until Tuesday, 28 October 2008.

MEMBERS STATEMENTS**John Valves Pty Ltd: government assistance**

Mr VOGELS (Western Victoria) — On Wednesday, 30 July, I raised an issue for the Premier concerning a high-tech manufacturer in Ballarat, John Valves, which produces large valves suitable for fittings in contact with potable and treated water. The business was established in Ballarat in 1896 and up until yesterday employed 130 people. It has recently supplied valves produced especially for major projects in Sydney, Queensland and South Australia and has supplied valves for the Perth desalination plant. It has been approached recently by business interests from faraway Dubai looking to use its expertise.

At the time when the Victorian government was looking to undertake a number of substantial water pipeline projects you would have thought a good local firm like John Valves would be a shoo-in to attract business. It was not contracted to supply valves for the Wimmera–Mallee pipeline, which in relative terms is just next door to Ballarat. It was not even contracted to supply valves for the so-called goldfields super-pipe, which takes water from north of the Great Dividing Range almost to the doorstep of John Valves. It was given no opportunity to bid for work on the north–south pipeline or the Melbourne to Geelong pipeline and no doubt would not have been on the short list for the desalination plant. A business like John Valves relies on securing large projects so that it can keep its doors open, and I ask the question: if John Valves cannot secure contracts for Victorian government projects, will the Premier take responsibility when the doors close on 130 jobs in Ballarat?

Asbestos-related diseases: apology

Mr SCHEFFER (Eastern Victoria) — I commend the Victorian government on the apology the Premier made yesterday in the Legislative Assembly in Churchill to former power industry workers and their families for their pain and suffering caused by asbestos exposure at the former State Electricity Commission of Victoria (SECV). I pay tribute to the tireless efforts of the volunteer members of the Gippsland Asbestos Related Diseases Support group who care for those who suffer from this debilitating disease. I pay particular tribute to Vicki Hamilton, Dorothy Roberts, Marie Smith, Pam Nicholson and GARDS president Lyall Seear, who advocate so powerfully for those affected by these diseases.

I also acknowledge the great support for an apology that came from the Gippsland Trades and Labour Council and the wider union movement whose members have advocated on behalf of the sufferers of asbestos-related diseases. The exact number of victims of asbestos-related diseases is not known, but we do know that thousands of workers and their families were exposed before the substance was finally banned in Victoria in 2003. Research confirms the anger and disappointment that many affected people feel towards the authorities under whose watch the exposure occurred. I hope yesterday's apology will give sufferers some solace and peace. The Premier's apology was profound and emotional for thousands of sufferers from asbestos exposure after working for Victoria's state electricity commission. The SECV was owned by the state of Victoria at the time the workers were exposed, and it is appropriate for the present government to apologise for the injury caused. The Premier's apology acknowledges that it is unacceptable for anyone to be exposed to deadly substances.

Genetically modified crops: East Gippsland

Mr BARBER (Northern Metropolitan) — According to last Friday's *Bairnsdale Advertiser* the East Gippsland Shire Council has resolved to request the Premier to make this region a genetically modified organism (GMO) free zone, and I commend it on that effort. There is the power within the Control of Genetically Modified Crops Act to declare certain regions to have a moratorium in relation to GMOs, and the council has also called for a public online register of where GM crops are to be grown. I can inform the council and also the house that I will be bringing forward a private members bill to allow for exactly that. In speaking to the motion Cr Rowe said:

This is about using your representative power to deliver what your community has asked of you and use the precautionary principle in relation to GM crops, the same precautionary principle we all now wish was exercised when releasing the fox, the rabbit, the cane toad and the prickly pear.

Technical and further education: regional and rural Victoria

Mrs PEULICH (South Eastern Metropolitan) — The Brumby government's TAFE reforms will have a negative impact on regional and rural industry and reduce the access to training, and the cost and availability of training, in regional and rural Victoria. Students in rural Victoria attend TAFEs more than any other educational institutions, so it is disturbing that Labor's planned changes to the sector will make TAFE courses more expensive, threaten the future of TAFE institutes and lead to further skills shortages in regional Victoria.

Teaching and research in regional and rural Victorian TAFEs such as the Central Gippsland Institute of TAFE tend to have a distinctively regional focus to cater for local industry, with many of the courses focusing on industries such as agriculture, farming, mechanics and engineering — all essential to ensure that students can provide the skills for regional industry by building the professional infrastructure of regional communities as well as meeting local labour market needs.

If the average person has five to seven career changes in their lifetime, Labor's reforms will not meet the educational needs of our rural and regional communities, because those wishing to access new knowledge for retraining will not be able to do so unless they pay the full fees. Tripling the cost of TAFE and higher education contribution scheme-style loans will reduce access for school leavers and those seeking retraining to meet emerging employment needs, and leave our TAFE sector underfunded. The Brumby government's reforms will hurt the way primary industry deals with skills needs in the next 20 years and damage rural and regional Victoria's skills base. I call on the Premier, John Brumby, to reconsider the short-sighted reforms because they will hurt regional and rural Victoria.

Port Phillip Bay: channel deepening

Ms BROAD (Northern Victoria) — The dairy industry is a major contributor to the Victorian economy and to the prosperity of families in Gippsland, employing 19 000 people on farms and in processing across the state. Dairy farmers ship around 350 000 tonnes of dairy product through the port of Melbourne each year. At present the shipping channel

to the port of Melbourne is too shallow to allow ships to be fully loaded, and farmers are facing higher export costs as a result. This is the reason for the Brumby Labor government's channel deepening project, a project supported by the Victorian Farmers Federation and business.

The importance of this project did not stop the Liberal-National coalition voting in the Legislative Council for another inquiry inspired by the Greens opposition to channel deepening. This is yet another example of the Liberals struggling to work out what they stand for. The Nationals used to support channel deepening, but as usual they rolled over and did what they were told by the Liberals. As the *Weekly Times* said recently:

It seems old habits die hard when it comes to The Nationals in coalition with the Liberals.

As happened in the days of the former Kennett government, The Nationals once again are being forced into an embarrassing compromise.

The last time the Liberals and Nationals were in coalition they ripped the heart out of regional Victoria, closing 178 country schools, 12 country hospitals and 6 country rail lines.

Transport: east-west needs assessment

Mr FINN (Western Metropolitan) — I was somewhat underwhelmed today to see the leaked story on the front page of the *Herald Sun*. As a representative of the western suburbs, I got that same old feeling of 'Here we go again'. It would seem that the western suburbs are about to miss out. The government is distributing largesse to its marginal seats, and the western suburbs, despite all their loyalty to the Labor Party over all these years, are again going to get absolutely nothing.

The transport plans that the government is putting forward, the follow-on from the Eddington report, are of little value to the western suburbs. The tunnel linking the Tullamarine and Eastern freeways, which I am very hopeful will happen, will be of some passing value in easing traffic congestion, but the Sunshine to Caulfield rail tunnel may well end up being the white elephant of the century. What we need desperately in the western suburbs is a second Yarra River crossing. The West Gate Bridge is a basket case, and I invite members to come out and have a look at it for themselves if they are desirous of doing so. In the area of public transport what we also need is an urgent upgrade to increase the capacity of the North Melbourne railway station. You can have as many trains out there as you like, but if they cannot get through the station again it is of little value.

All we want in the west is a fair go. The government might like to be reminded that we pay taxes too!

Regional and rural Victoria: government initiatives

Mr EIDEH (Western Metropolitan) — I believe we have all seen the media promotions that talk about Queensland being beautiful one day and perfect the next. But to me the real beauty of this wonderful nation can be found in the people and the communities such as this one in regional Victoria, particularly in beautiful Lakes Entrance. Where else can you find the heart and soul of a nation or a state than in a wonderful community such as this? I congratulate the Premier, John Brumby, and you, President, for holding regional sittings of this house in such an area. If Victoria is the place to be, it is in communities such as this. That is just one reason that Premier John Brumby has been so considerate of, so interested in and so supportive of regional Victoria throughout his parliamentary career and most particularly during his successful time in government.

This is why there have been so many initiatives designed to assist regional Victoria to grow, develop and prosper. The \$502 million *Moving Forward — Making Provincial Victoria the Best Place to Live, Work and Invest* statement is proof that this Victorian government is committed to regional Victoria and that we are listening. This is on top of the many policies that are aimed at all Victorians and the absolute commitment that this government continues to show to all the people of Victoria.

In closing, I thank the wonderful people of Lakes Entrance for being so inviting and so friendly, and wish them every success in the future.

Wannon Water: performance

Mr KOCH (Western Victoria) — In recent response to a widening range of community issues, Wannon Water displayed a complete lack of accountability to its customers. Complaints have been poorly handled with little consideration given to addressing the problems to customers' satisfaction.

Concerns have included acknowledging the existence of asbestos water pipes with no plan for their replacement; the decision to pipe water from the already depleted Rocklands Reservoir to supplement Hamilton's supply, forcing major price hikes to pay for infrastructure; breaches in water quality standards without explanation; the failure of the Hamilton treatment plant that prompted a notice to boil drinking

water with no compensation for affected customers; excessive increases of its fire services charge without due consideration of how it would affect customers; overestimated water bills from unread meters; and the insistence on payment of service charges for unused or unconnected services. The list goes on.

In another example of inept customer service, concerns expressed by landowners in the Dunkeld area who did not wish to be connected to an extension of the water main were harshly dismissed by Wannon Water. Wannon Water insists these landowners pay almost \$13 000 for water infrastructure they do not want. In attempting to have the matter resolved by the Victorian Civil and Administrative Tribunal and faced with \$20 000 in legal fees, the appeal of these people, unfortunately, had to be withdrawn. Wannon Water's lack of accountability — —

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

Nhill College: facilities

Ms PULFORD (Western Victoria) — It was my pleasure last month to officially open stage 2 of works at Nhill College. The Brumby Labor government contributed over \$1.3 million to a total rebuilding of the school in Nhill. The school community raised an impressive amount of \$22 000. The new works include state-of-the-art science facilities, a 2D art room, and graphics, technology and fabrics areas as well as general purpose learning spaces. It was wonderful to see how proud the students and staff were as they walked through their new facilities. It was a fabulous event, and I pay tribute to the retiring school principal, Mr Neville Trotman, for the vision he had for Nhill school students.

Since coming to office the Brumby government has proved its commitment to education throughout the state. In the 2008–09 state budget alone over \$138 million was committed to 23 regional and rural schools. Since the Labor government came to office 350 regional and rural schools across Victoria have received \$755 million, including \$145 million in East Gippsland to rebuild, renovate or extend 42 schools from Orbost Secondary College to Toora Primary School. I was proud to open the new facilities in Nhill and I am proud to be part of a government that is committed to governing for the entire state and supporting excellence in education.

Melbourne Water: staff

Mrs PETROVICH (Northern Victoria) — I have no joy in reporting yet another shameful day in rural Victoria. Yesterday further bullyboy tactics were used by Melbourne Water and the Brumby government to gain access to a property just north of Yea in their attempt to progress the north–south pipeline, which 91 per cent of landowners do not support.

Melbourne Water has once again lied to honest, hardworking people to gain access to their farms. At a meeting with Andrew Miller and Martin Hunter at 6 o'clock on Tuesday night, a commitment was made to meet at 11 o'clock the following morning at Glendaloch, the property owned by the Millers and Mr Hunter for over 40 years. Melbourne Water officers agreed to provide the required occupational health and safety documentation and a copy of the insurance policy to indemnify landowners against legal action. They also agreed to provide the required biosecurity clearance documentation to guarantee protection against bovine and ovine Johne's disease.

I would like to elaborate on this, and it is a great example of how the Brumby government is not to be trusted. At 8 o'clock that morning Melbourne Water breached its agreement and the officers arrived at Glendaloch 3 hours earlier than the agreed time. The farmers are part of a market assurance program and their documentation is over 4 inches thick and contains many pages. The government's document is a single sheet, but unfortunately none of the documentation was provided. After the farmers had talked to the Melbourne Water people about their vehicle, which had been driving through cow excrement, the officers rinsed it down with plain water. I hope they are really proud of themselves. This government has called these farmers quasi-terrorists and liars.

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

Transport: Eastern Metropolitan Region

Mr TEE (Eastern Metropolitan) — Today I would like to congratulate the Brumby government for its ongoing engagement with the community on Melbourne's transport needs. As we know, the government has encouraged submissions and ideas from the community in relation to our transport challenges. This has encouraged a fair degree of debate in the community and a number of ideas have come forward, some more popular than others. I noticed that Mr Atkinson is quoted in the *Maroondah Journal* as having called for a north–south rail line from Ringwood

to Dandenong, which he says would bring much-needed relief to train commuters. Unfortunately, a number of those train commuters seem to disagree with Mr Atkinson's call, and the Public Transport Users Association is quoted in the *Maroondah Journal* as saying that the north–south railway line can hardly be justified. The Public Transport Users Association said:

There are very few people who actually live in Ringwood and work in Dandenong or vice versa.

I see from an article in the *Manningham Leader* that, undeterred, Mr Atkinson is quoted as calling for larger tunnels on EastLink. He would like the Melba and Mullum Mullum tunnels to be larger, and again, as the article's headline says:

Donvale residents have lashed out at claims — —

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

Sale Common State Game Refuge: walking track

Mr P. DAVIS (Eastern Victoria) — I raise a matter in relation to the management — or sometimes I say the mismanagement — of Parks Victoria. The people who work for Parks Victoria do an outstanding job within the constraints that apply, but those constraints are seriously limiting because of the lack of proper funding and, more importantly, the coordination of Parks Victoria.

I refer in particular to the Sale Common State Game Refuge, which was affected by the floods of 2007, both in June and October. The boardwalk in the Sale common was significantly damaged, but it was repaired by mid-2008. Track maintenance has generally been good, but the park note for the Sale Common State Game Refuge shows significant tracks which are now not maintained at all. The eastern edge of the walking track is in complete disrepair through lack of maintenance, and it is unfortunate that the Department of Sustainability and Environment publishes park notes that mislead the community in regard to accessing wetlands which are important for people who are interested in birdwatching of species such as water fowl and simply enjoying active outdoor recreation. I use this case as but one example of the need for Parks Victoria to commit itself — —

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

Roads: Gippsland

Mr PAKULA (Western Metropolitan) — The Brumby government is working with the people of Gippsland to make it the best place to live, work and raise a family. Since coming to office in 1999 Labor has invested more than \$650 million in Gippsland roads. There has been \$238 million spent on upgrading roads like the South Gippsland Highway and the Great Alpine Road between Omeo and Mount Hotham, and work is currently progressing on stages 5 and 6 of the Bass Highway duplication project.

Mr Finn interjected.

Mr PAKULA — I urge Mr Finn to wait. Princes Highway East has benefited from \$40 million worth of improvements, and there is more to come with the state and federal governments having agreed to progressively upgrade Princes Highway east from Traralgon to Sale at an estimated cost of more than a billion dollars. The government welcomes the \$140 million that has been committed by the commonwealth to commence work on that road, and planning is well under way. New opportunities for Gippsland residents have been created with the completion of the Pakenham bypass, which has reduced travel times to Melbourne and improved freight movements to and from the region.

Lastly, I recognise the enormous local effort during the 2002 floods, which came on top of bushfires. The relief work included building temporary bridges in record time. Last month a new span on the Licola Bridge was put into position, delivering the final project as part of the Brumby government's \$20 million flood recovery roads and bridges program.

John Valves Pty Ltd: government assistance

Mr KAVANAGH (Western Victoria) — I referred yesterday to John Valves Pty Ltd, which has been placed into administration. The company has been operating since 1896. I support many of the comments made by Mr Vogels this morning. Like Mr Vogels, I visited John Valves in the middle of this year and was told by company representatives that they felt it was not getting a fair deal from the Victorian government. Neither was it getting fair treatment from the commonwealth government, because protection at that level is very low — much lower than that provided in other countries that give protection to their industries.

In addition, the company felt it was not given fair consideration by the Victorian government for many projects in Victoria. Mr Vogels referred to a long list of them. Although the company was supplying other

states, it had not won a contract in Victoria. On behalf of John Valves Pty Ltd I asked the minister at that time to give the company better consideration.

I call on the government, firstly, to do what it can for the 120 to 130 workers whose future is now in jeopardy; secondly, to do what it can to guarantee better consideration in the future so that a new buyer may be found for the company; and thirdly, to provide better treatment of all industries in Victoria, especially in rural and regional Victoria.

Council of Australian Governments: reforms

Mr THORNLEY (Southern Metropolitan) — I had the privilege of attending the Council of Australian Governments meeting in Perth a week and a half ago when all the governments in Australia were talking about what action is needed to address the potential consequences of the global financial crisis. I am proud to say that our government and our Premier advocated strongly, firstly, for a reduction in interest rates; secondly, for fast-tracking infrastructure, and thirdly, for a greater focus on new home development and a first home buyer scheme targeted towards new home construction to ensure that we give that section of the economy a necessary filler. I see that all three of those policy prescriptions advocated by our government have been adopted.

Foundation Boroondara: Kinder Plus program

Mr THORNLEY — On another matter, I was very pleased to meet in my local area with Denise Whitelaw and Di Cummins from Foundation Boroondara and learn about its terrific Kinder Plus program, through which it seeks donations from local community members to support and place disadvantaged kids, four-year-olds, in kindergartens and plant a tree in honour of the donor, symbolising both the growth and development of the child and the generosity of the donor in a permanent way that also helps to reduce the impact of climate change.

Finally, I welcome the presence in the gallery today of students from Lakes Entrance Primary School. It may look as if we are having a big argument a lot of the time, but as Winston Churchill once said, 'Democracy is the worst form of government apart from all the others'. Welcome.

STATEMENTS ON REPORTS AND PAPERS

Rural and Regional Committee: rural and regional tourism

Mr P. DAVIS (Eastern Victoria) — I seek to make a statement on the Rural and Regional Committee's report on its inquiry into rural and regional tourism of July 2008.

Mr Vogels — A very good report.

Mr P. DAVIS — I take up the interjection from Mr Vogels and say that it is a very good report. I congratulate the people involved in it. I note that this is the one committee that the government neither controls nor chairs, so I can say without hesitation that the outcomes from the report reflect a broader view than just the narrow government view, which most of the other reports seem to me often to reflect. The work that is done by all members of the committee is outstanding, and I know the report will stand the test of time.

Having said that, I specifically refer to a number of the report's observations and recommendations. The report highlights the opportunities for regions in the far reaches of the state, in particular East Gippsland, and it is useful to be reminded of the comments made by the representative of the Victorian Tourism Industry Council, Wayne Kayler-Thompson, which are cited in the report as part of the evidence, where he talked about nature-based tourism. Without quoting the extract in full, he made the point that there is a significant development of the interest in nature-based tourism and that we need to add value to Victoria's assets. The report states:

And yet Victoria has the reputation nationally, and certainly globally, that we do not have nature-based experiences of quality.

I take up that point in the context of being here in East Gippsland. We know that this region has rare beauty, and those members of the house who have had the opportunity to visit East Gippsland previously on their own account, or others who have visited here only in the context of this parliamentary sitting, will now perhaps better understand that this is the jewel in Victoria's tourism crown in terms of the natural attractions it offers, including the Gippsland Lakes and the adjacent national parks, particularly to the east.

I want to talk briefly about the need to develop significant walks infrastructure. I have previously in this house referred to observations about Western Australia — the renowned Cape to Cape Track, which is a seven-day walk of 135 kilometres. For those who

feel exhausted by the prospect of walking for seven days, it is a walk which can be done in small sections. For those who are more adventurous — like Mr Vogels, I am sure — and who would be excited about the prospect of a 1000-kilometre walk from Perth to Albany, there is the Bibbulmun Track. Can Ms Broad say whether I am correct?

Ms Broad interjected.

Mr P. DAVIS — Close. It is a 1000-kilometre walk from Perth to Albany, which is indeed an icon. Unfortunately Victoria has not taken the advantage of developing its natural features, but there is an effort by the local community. A group based in far East Gippsland in Orbost and further east has come together under the auspices of the Orbost and district community forum. As far back as 2002 it commissioned a report which concluded in 2006 and is entitled *The Far East Gippsland Icon Walks Ecotourism Infrastructure Study*. This report strongly defines the opportunities for eco-based tourism and for developing walks to attract visitors to the region to take advantage of its natural beauty. It also identifies a requirement to develop appropriate infrastructure, both public and private, including accommodation opportunities. The report includes proposals in relation to shorter walks as well as long walks, and the East Gippsland shire has taken this matter up. I note the shire has been seeking significant funding to progress the feasibility, progress the planning and progress the funding for the provision of some infrastructure; however, at this stage it has met with small success.

I raise the matter because it is a significant issue not just for the East Gippsland Shire Council but for the Victorian government, because the Victorian government has its Go for Your Life policy. The best way to implement such a policy is to support walking-based tourism.

Victorian Catchment Management Council: report 2006–07

Ms BROAD (Northern Victoria) — I rise today to speak on the 2007 annual report of the Victorian Catchment Management Council. I acknowledge and thank the chairperson, Mick Murphy, and the members of the council, as well as the executive officer, Patricia Geraghty, and the staff of the council for their contributions to the sustainable management of Victoria's catchments. I also acknowledge and thank Victoria's 10 catchment management authorities (CMAs), as well as the many organisations, individuals, land-holders and the many volunteers who have worked in partnership with the council and the CMAs.

The 2007 annual report marks the completion of a significant milestone, the first decade of the life of the Victorian catchment management framework. I commend the catchment management council for its commitment in 2006–07 to visit each CMA at least once in its three-year life to provide a regional focus for council meetings. I note that the council also continued to convene the catchment stakeholders forum to assist stakeholder communications and that there were 39 organisations represented in the forum over the period. This approach is very much in line with the Brumby government's commitment to participatory democracy.

The council's report indicates that the single most important activity for the council over the year was the preparation of the *Catchment Condition Report 2007*. The report was completed on 31 October 2007. It is the third report card on the health of our catchments and, as expected, shows there are existing pressures as well as emerging new pressures on our land and water resources which need to be tackled.

Many highlights of council activities are contained in the report. I would like to comment on just a few. Members of the council were involved with the Department of Sustainability and Environment in the organisation of the 2006 International Landcare Conference, which was attended by more than 1000 delegates and which also celebrated Landcare's 20th anniversary. Landcare has proved to be an enduring initiative of an earlier Labor government.

There are also many reports in the council's report on the drought employment program. There were many contributors to that initiative. Contained in the report are reports on the drought employment program, which is funded by the Victorian Labor government through a number of CMAs to assist rural communities experiencing unprecedented hardship because of the drought. This program funded an extensive amount of work to benefit catchments and gave many people an opportunity to provide for their families when few options were available. These included the Goulburn Broken CMA, which employed more than 70 drought-affected farmers as a result of funding of \$2.7 million; the North East CMA, which received \$1.3 million and employed 131 farmers; the Mallee CMA, which employed 93 people; and the North Central CMA, which received \$2.6 million.

According to the council's report, and certainly feedback I have received from many constituents and councils in my electorate of Northern Victoria Region, the drought employment program has been well received and is highly beneficial. For this reason I was

pleased that the Brumby Labor government was able to provide \$10 million for the CMA drought employment program in the \$115 million drought relief package announced by Premier John Brumby on Monday. This package again demonstrates that the Brumby government is taking action to stand by farmers and deliver much needed assistance.

East Gippsland Institute of TAFE: report 2007

Mr HALL (Eastern Victoria) — I take the opportunity this morning to comment on the annual report of the East Gippsland Institute of TAFE. In doing so I acknowledge the fine work it continues to do in providing vocational and adult education throughout the East Gippsland region. Members would understand from the comments made by the mayor of the Shire of East Gippsland yesterday that East Gippsland is a vast region and there are challenges in delivering vocational education to all parts of it.

The East Gippsland Institute of TAFE has two major campuses, and one is at Bairnsdale. As people drove through Bairnsdale on their way to Lakes Entrance yesterday they could not have helped noticing the institute on the left-hand side as they drove out of the town. It is a striking building. There is also a main campus at Sale, which at the moment is in Fulham, with the possibility that it will be relocated to a more central business district position in Sale. The institute also offers six outreach centres scattered throughout East Gippsland at Swifts Creek and smaller communities of that nature. The institute will deliver training where and when required because of its flexible operations. It continues to provide, as I said, a most valuable service to the people of East Gippsland.

The annual report briefly outlines the history of the institute. That history goes back more than 100 years when there was in existence a school of mines in Bairnsdale; there were also technical colleges in Sale and Bairnsdale. They came together in 1986 to form what was then called the East Gippsland Community College. Now it is called the East Gippsland Institute of TAFE. It has an important history.

In 1987, when the institute first operated, it had 3000 students. Now in excess of 16 000 students undertake vocational training through the institute. Over that period of time the institute has been served extremely well by very competent people in both the management and the administrative parts of the organisation. I have been fortunate to work with at least three directors of the facility. The first one, who was the director of the East Gippsland Community College, was Peter Venker. Peter went on to become the director

of the Canberra Institute of Technology and has recently retired from that position. Ray Griffiths also served as director for a period of time. He is now the director at Kangan Batman TAFE. The current person filling the chief executive position at East Gippsland Institute of TAFE is Angela Hutson. Angela continues magnificent work in running this business for vocational training in East Gippsland.

They have also been served by some terrific board members over a time. If you look through the current list of the board, mentioned on page 5 of the report, you see people like Tim Weight, John Stephenson, Helen Murphy, Lyndon Webb, Barbara Fulton, Tony Barnett, Louise Hobson, Pauline Bommer, who is the current chair, Ian Dunkley and Kerrie Flannery. Some of those names are familiar to the TAFE organisation not just in this area but on a statewide basis. John Stephenson, for example, has served for all the time that I can recall, so that is in excess of 20 years, as a board member. He was president of that board for a period and also held executive positions with the TAFE College Councils Association of Victoria. He and people like Tim Weight have been chairmen of that board at various times and they have done an outstanding job. I am pleased to report that that outstanding work is being continued by the current chair, Pauline Bommer.

The employment figures for the institute are significant. It currently employs somewhere in the order of 256 full-time equivalent employment positions, and that is an increase of almost 20 over the number employed in the previous year. Pages 8, 9 and 10 of the annual report list the programs that are being offered by the institute. They are many and varied, but I want to highlight one course. If members are going back to Melbourne tomorrow, they should take some time to perhaps glance to their right as they drive through a forested area either side of the highway, because there is a place called ForestTech amongst the natural forest settings there. ForestTech is particularly designed to accommodate training within the timber industry. If people take the opportunity to have a look in, they will see some excellent examples of East Gippsland timbers being used in furniture. I have been impressed by some of the innovative designs developed by the students undertaking the advanced diploma of art in furniture design. They are well worth a look. That particular program is unique in its provision of vocational education in Victoria. I thank all those who continue to support the East Gippsland Institute of TAFE and wish it well for the future.

Outer Suburban/Interface Services and Development Committee: local economic development in outer suburban Melbourne

Ms HARTLAND (Western Metropolitan) — Today I will speak on the Outer Suburban/Interface Services and Development Committee's inquiry into local economic development in the outer suburbs. I would like to say why I decided to be a member of this committee. The Greens members have all committed themselves to be members of at least one committee, and in Greg Barber's and Sue Pennicuk's case sometimes more than one, because they have been on temporary committees. In terms of environmental issues I believe the outer suburbs are quite important because they are growing at such an enormous rate, often with a lack of infrastructure, so the issues that were raised in this inquiry are quite important.

I start, as everyone who speaks on committee matters does, by sincerely thanking the committee staff who I worked with on the inquiry. They do a fantastic and enormous job, often with very few resources. They are Sean Coley, Dr Geoff Russell and Natalie-Mai Holmes. I would also like to thank Don Nardella, the member for Melton in the Assembly, who is on the committee, because this was my first committee and he was extremely helpful in walking me through what were often quite difficult processes.

The inquiry process was quite interesting, because we were able to meet a huge number of people in the outer suburbs and to look at really interesting issues such as green wedges, urban growth boundaries and car dependency. The latter issue is one I would have liked to have seen the committee do much more work on, because many people in outer suburbs are completely car dependent. In a great deal of the areas in my electorate such as Caroline Springs and Wyndham Vale petrol debt is becoming a major problem because people lack access to public transport. Other issues include the lack of fast broadband for people who want to work from home. Local councils are working to facilitate more home-based jobs and more local jobs so that people will not have to spend a large amount of their time transporting themselves to work.

The thing that came across to me repeatedly in nearly every submission the committee received from community groups, local businesses and local councils was that the lack of good public transport is a major economic barrier, especially to young people trying to get to traineeships, apprenticeships or go to school and who have to use three or four forms of public transport or have their parents drive them everywhere.

This is quite an important report. It raises a number of issues the government should look at. I am aware of other reports that have been completed and have then just sat on shelves gathering dust. I hope that does not happen with this report, as there are some very important points in it that should be reflected on.

East Gippsland Region Water Authority: report 2006–07

Mr O'DONOHUE (Eastern Victoria) — I am pleased to make a contribution on the East Gippsland Region Water Authority annual report for 2006–07. At the outset I congratulate Robert Fordham, the chairperson of the authority, and his board for the work they do, and particularly for the work they are doing during this most difficult year. The East Gippsland Region Water Authority trades as East Gippsland Water and has responsibility for approximately 10 per cent of Victoria. It services a significant population and encompasses towns such as Mallacoota, Cann River, Orbost, Lakes Entrance, Metung, Paynesville, Bairnsdale, Lindenow, Omeo and others. It covers a large geographic area and services many towns, creating some challenges for the authority.

Water is very important to Gippsland. It is important to the health of the Gippsland Lakes, to the region's beautiful environment, to the tourism industry that is supported by that environment and to the recreational and commercial fishing enterprises that also rely on the lakes. There is also significant irrigation in this area, dairy farming, the vegetable-growing area of Lindenow and the food manufacturing businesses it supports in Bairnsdale and elsewhere.

Gippsland traditionally has been lucky to enjoy regular, reliable rainfall — perhaps more regular and reliable than elsewhere — but even in Gippsland the regularity and reliability of rainfall is less than it used to be. Perhaps 2006–07 demonstrated that better than just about any other year. The water authority during that year suffered three natural disasters. It had the ongoing drought, which culminated in a scarcity of water. It then had the 2006–07 summer fires, which burnt 680 000 hectares of forest in Gippsland. Fortunately the authority had already installed 10 silt-buster water clarifiers and 5 water settlement dams adjacent to the Woodglen Reservoir, which meant there were fish and fresh water for the bushfire emergency period.

Then on the back of the bushfires we had the June 2007 floods, which put great pressure on the infrastructure of the authority and indeed caused a break in a pipeline serving 550 customers in the Lindenow and Lindenow South area. Whilst repairs to the pipeline were being

completed water had to be trucked to those affected communities which, again, put great pressure on the authority. I congratulate the authority on seeing off three natural disasters, for having done the forward work to prepare to ensure that drinking water, potable water, was available at all times to all customers, even if that meant it being trucked in to some communities.

The authority has also participated in other exciting initiatives. It participated in pioneering research to assess the effectiveness of shade-cloth covers installed over water basins to protect water quality and combat evaporation. These covers were erected at Omeo, Mallacoota, Swifts Creek and Cann River and resulted in an amazing 90 per cent reduction in evaporation, which is a great result and something that should be emulated in other parts of Victoria and indeed throughout Australia.

Moving forward there is a need for the sewerage system to be extended to Lindenow South and into Lindenow itself. This area near the Mitchell River, which, as I said previously, is one of the state's premier vegetable growing areas, has a water table which can rise during periods of extreme wet and can cause trouble for the septic tanks in the area. It would be of benefit if that area could be seweraged.

In summing up I again congratulate Robert Fordham, the chairperson, and the board for dealing with those three challenges they faced during the year, and I look forward to their ongoing hard work.

Rural and Regional Committee: rural and regional tourism

Mr EIDEH (Western Metropolitan) — I rise to address the house in this very special setting on the Rural and Regional Committee's parliamentary inquiry into rural and regional tourism. I have heard stunning stories about how Gippsland has developed from a community primarily known for its world-class butter and cheese that even Her Majesty desired, its wood-based industries, its dairy and other agricultural industries to also include tourism as a key part of economic, business and social life in Gippsland. That is why I read the report of the inquiry into rural and regional tourism with such interest and why I believe it is important that I discuss this report in this place on this day.

As the forward to the report begins, with the words of Damian Drum, a member of this house:

Regional Victoria has everything a tourist from anywhere on the globe might want.

We have vineyards of such standard that the French are envious. We have beaches that attract people from Europe and Hawaii. We have great fishing that stuns Americans. We have lakes, forests and wildlife that simply amaze, and they are protected and serviced by the great people of this region. Since we were elected to office the Labor government has committed to the rural and regional heart of our state, and this report stands as a testimony to that commitment.

I wish to congratulate the honourable members involved in this report: Mr Damian Drum as chairman; Ms Gayle Tierney as deputy chair; Ms Kaye Darveniza and Ms Wendy Lovell, along with Mr John Vogels — all from this house — and from the other house, Mr Russell Northe, the member for Morwell; Ms Kirstie Marshall, the member for Forest Hill; as well as the talented staff, without whom there would be no report.

There are a considerable number of recommendations in this well-considered report, and I will not for a moment pre-empt any decision by the minister or the government. However, some of the recommendations mirror policies already stated by the federal Labor government such as recommendation 5, which promotes the extension of high-speed broadband internet. Others make perfect sense and will most definitely be taken up in the government recommendations, such as improving signage on our roads to better show travellers how to reach tourist locations and to identify those locations to one and all.

Other recommendations deal with infrastructure, regional airports, subsidised coach services for particular categories of people, boat ramps, Parks Victoria, regional museums, extending a great range of Tourism Victoria projects and much more. Again, I will not pre-empt the considerations and forward planning of the minister and of the most able government in my lifetime, especially as I am absolutely certain that the many recommendations in this report have already been discussed and considered at the highest levels. The Brumby Labor government believes in the rural and regional sectors of Victoria. We believe in what this area and others across the state offer, and we are committed to our rural and regional cousins.

I commend this report to the house and congratulate the people of this community for their great achievements and successes.

Environment and Natural Resources Committee: impact of public land management practices on bushfires in Victoria

Mrs PETROVICH (Northern Victoria) — I appreciate the opportunity to provide this brief report on the parliamentary Environment and Natural Resources Committee's *Inquiry into the Impact of Public Land Management Practices on Bushfires in Victoria* while we are here in Gippsland, because Gippsland was one of the main focuses of the inquiry, and the input from the people of Gippsland during our hearings was invaluable.

I hope this inquiry has changed the way many people — including, I trust, members of this government — view the way we can prepare our country to reduce the impact and severity of bushfires, and in particular how this relates also to flooding.

One of the key findings of the inquiry was that this government has failed to effectively manage our public land, particularly here in Gippsland and in the state's north-east. We now know that we need to significantly increase the amount of prescribed burning, and by 'significant' I mean a threefold increase, from 130 000 hectares to around 385 000 hectares. The inquiry proved that the government's lock-it-up-and-leave-it approach to managing public land is both foolish and damaging. Hopefully we now have a demonstration that prescribed burning is beneficial not only in reducing the threat of extreme fire events but also for maintaining ecological processes in forests and grasslands. It clearly demonstrates that with these checks and measures we will be able to protect water catchments, our biodiversity and the communities who live adjacent to public land.

The committee found that this government's exclusion of traditional land users from public land has been to the detriment of our natural resources and has resulted in a failure to keep up the active land management practices that these groups traditionally carry out. I am talking about the timber industry with logging; selective cattle grazing and a range of other traditional uses; indigenous land management and the firestick farming that historically was carried out. This has resulted in a decline in local knowledge, skill and resources and has had a negative impact on the ability of relevant agencies to manage fire on public land. The inquiry also produced some significant breakthroughs for the communities affected by fire.

One of the key recommendations in the final report was for the government to change its policy so that when water is taken from private dams to fight fires the

owners receive replacement water and adequate compensation. Previously there was a very untidy process for this to happen, and generally it did not happen, leaving landowners with stock and domestic water unable to find a way through this mess. This is something that people in regional Victoria have been requesting for some time, and I am glad to say that was one of the findings.

Likewise, the inquiry recommended that the state government amend its policy of not meeting half the cost of repairing fences when they were destroyed by fire as a result of it crossing from public land onto private property. These are significant wins for property owners in country Victoria and will make a real difference to how they can cope in the aftermath of a fire.

There are of course some issues that are still to be resolved, and the management of wildlife affected by bushfires still needs to be addressed. Currently there is no universal system to handle our native animals injured by fire, and they are left to volunteer wildlife carers who have to fund the nursing of these animals and very often bear the cost, both emotional and financial, of euthanasing them. It is also of concern to me, as a person who has a lot to do with the Country Fire Authority, that there is not a centralised IT and communications system shared by Parks Victoria, the Department of Sustainability and Environment and the CFA. It is a disgrace that in times of emergency there is not a system that would allow the transfer of information to those people who need to know what others are doing.

In conclusion, the inquiry has broken a lot of new ground, and hopefully it will result in better land management practices in Victoria. It is now up to the government to act. If it fails to acknowledge the work that has been done, it will be to the detriment of all Victorians and our biodiversity. Finally, I would like to acknowledge the outstanding contributions from communities around the state and to pass on to all those people a very big thank you. I would also like to acknowledge the members of the community of Licola, who as a result of the 2006–07 fires had the worst dished out to them. I would like to commend their courage and Australian fighting spirit.

Office of Police Integrity: report 2007–08

Mr ELASMAR (Northern Metropolitan) — I rise to speak about the Office of Police Integrity report 2007–08. The Office of Police Integrity was established in 2004. The purpose of the OPI, as I understand it, was to investigate and expose corruption within Victoria Police. Modern policing is changing every day. In order

to maintain proper order, the OPI has managed to keep pace with the evolving nature of crime within the ranks of police. I am pleased to say that after reading this report I am satisfied that we have an office well able to focus on the positives and still weed out the negative forces within Victoria Police personnel.

The culture of the brotherhood of the police is slowly changing, but without the dedicated staff of the OPI it most definitely would not. Paramilitary forces are notorious for covering up mistakes or even crimes of their so-called brothers in arms. It is an extremely brave officer who exposes corruption within the ranks. In the past any officer who blew the whistle was targeted for unprecedented cruelty and alienation. They were forced out of the force or remained on their current rank until they retired; in some cases I am talking about 30 years of discrimination.

I am a strong supporter of the OPI. It is worth every penny we, the taxpayers, spend on ensuring transparency and accountability to this Parliament. The government has taken the view, and rightly so in my eyes, that only a truly independent body, independent of the police force and the police department, can act without fear of revenge or retribution — a body which reports directly and is answerable to the Victorian Parliament. But we as a government must ensure the OPI is well equipped with the necessary resources to rigorously continue to perform its functions of detecting, investigating and preventing police corruption and misconduct. Acquiring new technology is also vital to maintaining the momentum and efficiency of the OPI. The OPI must continue with total independence to pursue corruption without fear or favour.

The Purana task force established by our current Chief Commissioner of Police, Christine Nixon, has shown how unbelievably difficult it is to uncover or expose corruption. Friendly or close personal relationships between law-breakers and our own police force will never be acceptable to the community nor should they be. A few rotten apples can no longer be allowed to spoil the reputation of the force as they have in the past.

Having said that, I want to stress this point as strongly as I can: the vast majority of Victoria Police members work hard and conduct themselves with integrity and honesty. They risk their own lives and safety in order for us, the community, to be safe. It takes an extraordinary individual to protect and serve with integrity and to disregard their own safety. I salute those men and women, and I say again what I said during my contribution to the OPI bill: it is essential that our police understand that the Parliament will continue to support them 100 per cent. I commend the report.

Southern Rural Water: report 2006–07

Mr KOCH (Western Victoria) — I report today on Southern Rural Water's 2006–07 annual report. As we all know, Southern Rural Water is a government agency. It is the largest rural water supplier in Victoria and covers the area from the New South Wales border in the east to the South Australian border in the west and from the Great Divide to the ocean. It has a responsibility for licensing and regulating water use both above and below ground.

The customers of Southern Rural Water are mostly primary producers, but it also supplies water in bulk to non-metropolitan urban water authorities and Latrobe Valley electricity generators. Southern Rural Water has some 9000 customers, its largest customer being the Hazelwood power station, which has a sole licence of something of the order of 23 000 megalitres.

Southern Rural Water generates approximately \$23 million in operating turnover and invests up to \$5 million in capital works and its infrastructure on an annual basis. Its headquarters are in Maffra and it has major offices in both Werribee and Warrnambool, plus staff at field offices right across this large region. Southern Rural Water manages three gravity irrigation districts in the southern half of the state, and they are the Macalister, Bacchus Marsh and Werribee systems. It also manages underground aquifers, principally in western Victoria, with some 1400 customers across its whole region.

The effects of drought for Southern Rural Water, as for many other water authorities across the years 2006 and 2007, have been severe. During the irrigation period between late 2006 and January 2007 the continuing drought limited inflows into storages. That impact obviously saw low allocations for a start, but it did have a good result and built those allocations up to something of the order of 60 per cent across the eastern irrigation district. The same could not be said for the western irrigation business where we saw Werribee open with a 5 per cent allocation and Bacchus Marsh regrettably with a zero allocation.

Recycling certainly assisted in the western irrigation area. Having started with something of the order of 100 megalitres in 2005, this grew to 7500 megalitres by 2006–07 and continues to grow. We now see some 173 customers involved, or 83 per cent of market garden areas being covered by recycled water. I think it is important to note that we have not had any illness, which has always been a concern, from this greater use of recycled water, and I, like many people, see a much greater use for the recycling of water in the irrigation

districts. Unfortunately due to tough times Southern Rural Water again experienced a deficit of some \$5 million for the current year, which was a fivefold increase on the year before, and regrettably it continues to have losses of this magnitude. It is very difficult to manage, as we know, when there is no water in your water industry body. I have to say, though, that I am disappointed that we have seen the bureaucracy continue to grow at Southern Rural Water. In the last seven years it has expanded by some 50 per cent, with similar workloads.

The drought and the extraordinary bushfires that took place in 2006 and then the floods in 2007 certainly did make things very difficult for Southern Rural Water during that period. This side of the house was fortunate to have received an invitation from our colleagues Philip Davis and Edward O'Donohue to assist in those clean-up proceedings at Newry, where some of the damage, obviously, was devastating.

One of the things I would like to raise which is not in the report, which is a disappointment, is the lack of activity from the authority in gaining support for or pursuing the gathering of water off-stream on the Mitchell. Mr O'Donohue alluded to Lindenow and Lindenow South in an earlier report, and I think it is important that the authority does do more in this area and encourages government to get involved with that opportunity.

National Environment Protection Council: report 2006–07

Mr THORNLEY (Southern Metropolitan) — I rise to speak on the National Environment Protection Council 2006–07 annual report, and in doing so I want to take the opportunity to acknowledge the wonderful natural environment that we have been blessed with in the Shire of East Gippsland and the surrounding region. As the mayor said yesterday, that wonderful natural environment is not only a great joy but is of central importance to both the quality of life of people here in these communities and to the economy in these areas. Issues such as climate change and rising sea levels are of direct concern to people who do not want to see those great qualities diminished.

The purpose of the Natural Environment Protection Council is to get cooperation between the states and the commonwealth government over things that affect the way we protect the environment. It is really a coordinating body. It does not have major executive powers, but it does try to ensure that we have consistent approaches to all of these things around the country, and that makes pretty good sense because the

environment does not recognise any of the boundaries that we draw on maps. It is one planet, it is one country, and if we are going to protect our environment we need to work together to do that, we need to work consistently together with a similar approach, and we need to make sure that we focus all our energy on the things that are going to make a real difference to the environment and not all our energy on all the red tape and regulations that surround that process. Making sure that we have a consistent set of regulations across the whole country does that, and that is really the primary purpose of the National Environment Protection Council.

It focuses on a range of important environmental issues, from uniform high-quality air and water — it should be a right for all Australians to have high-quality air and water available — to managing some of the hazards of living in an industrial age that may diminish our environment and our enjoyment of it. I refer to managing noise, managing site contamination, managing hazardous waste and recycling, and vehicle-related issues. Again, since this is about coordination between the states, I refer particularly to heavy vehicle and diesel vehicle emissions in terms of both carbon emissions, which of course are the critical factor in global warming, and other noxious emissions, such as hydrogen oxide, that affect air quality. That is what this body does.

I noted in Mr O'Donohue's speech yesterday on the timber industry he made the point that we are arriving in a modern world where we understand that protecting the environment and having a strong economy are not two things that are in conflict — that in fact they are interdependent. I welcome his statement in that regard. That has been our view for a very long time. It has not always been the view of those associated with the other side of the house, and certainly not the former Prime Minister, who was constantly trying to create a conflict between those two ideas. A number of these areas are good examples of that. When we look at vehicle emissions, the best way to reduce vehicle emissions is to have cleaner fuels and to use less of them. Using less fuel not only generates less emissions but saves money. That is true for all of our energy conservation activities. We can improve the environment and save money. Where we have to make modifications and change the way things work, whether that is vehicle technology, the clean fuel infrastructure required or a range of other related investments, that creates jobs.

When we get this stuff right, the old idea that protecting the environment costs money and jobs is replaced by the new idea that protecting the environment saves money and creates jobs. These are good examples of

that, and there are a number of others. A lot of the retrofit work to make buildings more efficient and use less energy creates jobs and saves money when it is done.

That is the framework I think we should assess the work of this council within. It is about making governments work together effectively, which is something we in the Victorian government have led through the national reform agenda and our involvement in the Council of Australian Governments. The National Environment Protection Council has had a very successful impact on a range of practical matters such as diesel vehicle emissions, used packaging materials, controlled waste movement between the states, and uniform assessment processes for site contamination. I commend the report to the house.

Auditor-General: *Maintaining the State's Regional Arterial Road Network*

Ms LOVELL (Northern Victoria) — I rise to speak on the Auditor-General's report of June 2008 entitled *Maintaining the State's Regional Arterial Road Network*. Victoria's road network is critical to this state. It carries more than 90 per cent of personal trips and more than 80 per cent of freight throughout Victoria. Most of Victoria's road traffic is carried on the 22 000 kilometres of roads and 6000 bridges that make up our arterial road network. About 19 000 kilometres of this arterial road network are in country Victoria, so this arterial road network is most important to country communities. The arterial road network is important for people living in regional Victoria because it is critical for their access to work and other services and in maintaining social links with friends and family. However, it is also important to us as we will maintain strong businesses in country Victoria if we have viable road networks to transfer produce to the rest of the state.

Unfortunately the Auditor-General's report identifies that under this government there is a \$100 million backlog in maintenance of the arterial road network and that is causing problems in country Victoria. As I said, the arterial road network is vital in maintaining our access to services, family and friends, work et cetera, and is most important for our businesses to transfer their produce. It is also very important to the tourism industry in bringing vital tourists to country Victoria.

I would like to talk about a few roads that are quite important in this local area and that have either been allowed to deteriorate or have not been brought up to the standard necessary to service this region. The first of these roads is the South Face Road, which needs sealing. I travelled on the South Face Road last year

with Gary Blackwood, the wonderful member for Narracan in the Assembly. The South Face Road was originally built as a timber haulage road but could potentially provide a much-needed tourism link from Mount Baw Baw to the Latrobe Valley. When I travelled on it last year it was a gravel road and needed to be sealed. The estimated cost of sealing that road was \$16 million.

There is also the Tamboritha Road, which unfortunately was closed in February 2007 following mud slides. Since that incident the road has been further damaged by two recent floods. The lack of access on this road has caused considerable inconvenience and had a severe impact on businesses in towns such as Heyfield and Licola, which supply visitors to the area.

Several roads are important to not only this region but also the region I represent, Northern Victoria Region, because they provide vital tourism links between Gippsland and northern Victoria. The first of these is the Omeo Highway. It is a wonderful scenic drive with its views of snow-capped mountains, but unfortunately 26 kilometres of the highway needs to be sealed to complete it. In its present condition the road becomes very slippery when wet and does not provide the access needed by tourists in the region.

We can also talk about the need for sealing the Dargo High Plains Road, which provides access from Dargo to the Alpine National Park and the Grant Historic Area. It is a strategic tourism link between Dargo and the alpine park and carries about 80 vehicles per day in non-peak season and more in peak season. It would cost only \$5.5 million to seal that route.

Jamieson-Licola Road is another strategic tourism link between Licola and Jamieson that also needs to be sealed. That would cost about \$10 million. It would provide access for tourists as well as timber and emergency service vehicles in the area.

Benambra-Corryong Road is another vital tourism link between Corryong and the Benambra-Omeo area in East Gippsland which also provides access to the Murray Valley Highway. About 70 kilometres of that route is unsealed.

The ACTING PRESIDENT (Mr Somyurek) — Order! The member's time has expired.

Queen Victoria Women's Centre Trust: report 2006–07

Ms DARVENIZA (Northern Victoria) — I am very pleased to rise to talk about the Queen Victoria Women's Centre Trust annual report for 2006–07. I

have always had a special interest in the Queen Victoria Women's Centre (QVWC), because it is at the old Queen Victoria Hospital, which was the first women's hospital and a maternity hospital as well. That is where I had my two children many years ago, so I have always had a bit of a soft spot for it.

I would like to start off by congratulating the trust chair, Catherine Brown, the 10 trustees and the very skilled staff who work for the centre. I would also like to take this opportunity to acknowledge the many volunteers who work not only to support the trust but for about 10 organisations that work out of and provide services from the Queen Victoria centre. Without those volunteers the excellent work that is done by the centre would not be achievable.

The trust is committed to building connections and establishing future directions and partnerships with organisations that support women. The centre is tenanted by a range of diverse, women-focused organisations. Partnerships with organisations working both within and external to the centre to deliver programs and projects that are relevant to women are encouraged. Accessible information is provided through the QVWC's information hub website. Significant events and celebrations regarding the accomplishments of women in Victoria are held, meeting facilities are provided for groups and organisations and the display of arts, especially for budding women artists, is encouraged.

The centre is involved in a whole range of activities. One of the things that was highlighted in the report was the celebration of the 110 years of women serving women. There were a number of significant events, including an open day, which was attended by some 200-odd women. A cocktail party and an art exhibition were also held as part of the celebrations.

The organisations that make up the centre are very important. They offer a whole range of services for women by women. I will run through them quickly so members can see some of the diversity that is provided through the women's centre. They include the Aboriginal Family Violence Prevention and Legal Service; BreaCan gynaecological and breast cancer support, which provides free and confidential information, support and referral services for people with gynaecological and breast cancer, and of course for their family; and CASA House — CASA stands for centre against sexual assault — is a service of the Royal Women's Hospital. The state government funds CASA House, which provides free and confidential services to the victims and survivors of sexual assault on a 24-hour basis.

Domestic Violence Victoria is a peak advocacy organisation committed to the rights of women and children. Emily's List Australia is also housed in the centre. It is a political, financial and personal support network for progressive Labor women candidates. URCOT conducts a wide range of research for organisations. The Victorian Immigrant and Refugee Women's Coalition is there, as is Vita Natural Health, WIRE women's information and the YWCA Victoria. As members are now aware, the centre houses a whole range of very significant organisations providing services for women by women.

GREENHOUSE GAS GEOLOGICAL SEQUESTRATION BILL

Statement of compatibility

Mr JENNINGS (Minister for Environment and Climate Change) tabled following statement in accordance with Charter of Human Rights and Responsibilities Act:

In accordance with section 28 of the Charter of Human Rights and Responsibilities (the charter), I make this statement of compatibility with respect to the Greenhouse Gas Geological Sequestration Bill 2008 (the bill).

In my opinion the bill, as introduced to the Legislative Council, is compatible with human rights protected by the charter. I base my opinion on the reasons outlined in this statement.

Overview of the bill

The overriding objective of the bill is to encourage and promote greenhouse gas sequestration operations and provide for the regulation of such operations principally through the introduction of a system of titles.

Human rights issues

The provisions of the bill raise human rights issues.

Collection and disclosure of information

Part 14 of the bill contains a number of provisions authorising the collection and disclosure of information. A number of other provisions in the bill impose obligations on authority applicants and holders to produce, report and notify information. These requirements are included in the bill for the purposes of: informing ministerial decisions concerning the grant of authorities under the bill (see, for example, clauses 23, 38, 61, 63, 73, 75, 94, 148, 291); monitoring the development of operations (for example, see clauses 55, 56, 69, 92, 111); monitoring and enforcing compliance with the provisions of the bill (for example, clause 267); facilitating community consultation (see clauses 154, 156); and inspection of the greenhouse gas sequestration register established under clause 281 (see clause 286). Clause 299 creates an offence for officials disclosing information obtained under the bill. Clause 239(a) prevents the public release of the technical qualifications of the applicant and its

employees which is required to be submitted under clauses 23 and 75.

These provisions have the potential to engage the rights to privacy (s 13), free expression (s 15) and self incrimination (s 25(2)(k)).

Privacy

Section 13 of the charter provides that a person has the right not to have his or her privacy, family, home or correspondence unlawfully or arbitrarily interfered with. While most of the information collected and disclosed under the bill would not engage the right to privacy, some of the information may be personal information to which the right would apply.

To the extent that the provisions of personal information may interfere with privacy, the interference is not unlawful as it is provided for in the bill (and thus will be authorised under law). Further, the interferences are not arbitrary, as any interference will occur only in precise and circumscribed circumstances, and the bill provides safeguards regarding the disclosure of information collected under it.

Freedom of expression — s 15

The right to freedom of expression in section 15 of the charter has been interpreted in some jurisdictions to include a right not to impart information.

The provisions requiring the reporting of information, are an important aspect of the regulatory function of the bill and are necessary to fulfil the objectives of the bill which include consideration of public health impacts. Accordingly, to the extent that the provisions impose any restrictions on free expression, they come within the express limitation in s 15(3) of the charter, as they are reasonably necessary for public health and/or the maintenance of public order.

Accordingly the bill is compatible with the right to freedom of expression in s 15 of the charter.

The right not to be compelled to testify or confess guilt — s 25(2)(k)

Provision of information by holders of authorities

There are a number of provisions in part 14 of the bill that require the provision of information by authority holders on an ongoing basis (see particularly clauses 230, 231 and 232). Each of these provisions sets out the purposes for which the minister may require information, and does not include the investigation of criminal offences. However, it is possible that the provision of information under these provisions could disclose a criminal offence and/or later be used against the person in a criminal proceeding.

Clause 181 requires that the holder of an authority must report a 'serious situation'. It is possible that the reporting of a serious situation could involve the disclosure of a criminal offence. The report may be used against the authority holder in subsequent criminal proceedings.

Section 25(2)(k) of the charter provides that a person charged with a criminal offence is entitled not to be compelled to testify against himself or to confess guilt. At the time the person is required to provide information he/she will not have been charged with an offence. On this basis the right in

s 25(2)(k) of the charter would have no application. However, similar rights in other jurisdictions and the broader right to a fair trial (s 24) have been interpreted to provide some limited protection at the investigation stage.

Even so, the rights have not been extended so far as to protect persons from providing information necessary for the monitoring and enforcement of a regulatory regime. The Supreme Court of Canada has held that in accepting a licence, a person is presumed to know, and to have accepted, the terms and conditions associated with the licence, including the provision of information to monitor compliance with those terms and conditions. In the circumstances in which the information is provided there can be no concern about false confessions or ill-treatment of suspects, which the right is designed to protect.

Accordingly, I consider that the provisions do not limit the rights in ss 24 and 25 of the charter. Even if they did, I consider that any limitation would be reasonable and justifiable under s 7(2) of the charter.

Information gathering powers

Clause 233 provides the minister with the power to require persons to provide information, documents or things relating to a greenhouse gas sequestration operation. The power is not limited to authority holders. Clause 233(5) provides that a person is not excused from complying with the subsection on the ground that the information may tend to incriminate him or her.

As noted above, similar rights to the privilege against self-incrimination (s 25(2)(k)) and the broader right to a fair trial (s 24) have been interpreted to provide some limited protection at the investigation stage.

However, s 233(6) provides that any information produced under this section is not admissible in any proceedings other than proceedings in respect of the falsity of the information. In the light of that protection, I consider that the privilege against self-incrimination in s 25(2)(k) is not limited. Even if it were, I consider that such a limitation would be reasonable and justifiable under s 7(2) of the charter having regard to the importance of ensuring compliance with the terms and conditions of the authorities granted under the bill.

Questioning powers — freedom of movement — s 12

Clause 233(2)(b) of the bill empowers the minister to require a person to appear before him or her at a specified time and place and answer questions relating to the greenhouse gas sequestration operation or produce a document or thing. To the extent that a person is required to appear before the minister pursuant to this provision, that person's freedom of movement is limited.

The nature of the right being limited

Every person lawfully within Victoria has the right to move freely within the state; to enter and leave it; and the freedom to choose where to live. The exercise of this right is not dependent on any particular purpose or reason. It encompasses a right not to be forced to move to or from a particular location.

The importance of the purpose of the limitation

The limitation is important because it permits the minister to obtain information necessary to regulate the operation of greenhouse gas sequestration. The ability to compel attendance to provide relevant information is essential to ensure that the minister is capable of availing him or herself of all information pertaining to these operations; to enable the effective and efficient monitoring of activities permitted under the bill; enforcing its provisions; and responding to changes in circumstances.

The nature and extent of the limitation

The clause allows the limitation of a person's freedom of movement only to the extent that the person is compelled to be physically present before the minister for the purpose of providing the evidence or information. Before the minister can exercise the power he or she must have a reason to believe that the person has information relating to a greenhouse gas sequestration operation.

The relationship between the limitation and its purpose

The limitation on the freedom of movement of a person by requiring their presence before the minister is directly related to its purpose: to enable the minister to acquire relevant information.

Less restrictive means reasonably available to achieve the purpose

There is no less restrictive means of achieving this purpose.

The limitation is reasonably justified under s 7(2) of the charter. Accordingly, I consider that the bill is compatible with s 12 of the charter.

Search and seizure powers

The search and seizure powers granted to inspectors authorised under clause 251 in the enforcement provisions at part 15 of the bill, to inspect any premises and any thing on those premises, can be exercised for the clearly stated public purposes of: monitoring compliance with the bill; in response to an emergency; and to obtain evidence of a commission of an offence under the bill. Places of residence cannot be searched unless the occupier has consented or when there is a reasonable belief that there is an immediate risk of injury and damage to people, property or the environment, and (where there are reasonable grounds for believing that there may be evidence of a commission of an offence under the bill) a magistrate has issued a search warrant. Before conducting a search of a residence the inspector is required to produce an identity card and, where a search warrant has been issued, must announce his or her authorisation and provide a copy of the warrant.

To the extent that these provisions relate to private information and permit access to residences, they arise in the controlled and prescribed circumstances set out in the bill and are lawful. Procedural safeguards and oversight have been included in the bill in relation to the exercise of these powers. Consequently I do not consider that these requirements can be described as arbitrary.

Accordingly the provisions are compatible with the right to privacy in s 13 of the charter.

Reverse onus provisions

Clause 270 provides the minister with a power to issue an improvement notice against an authority holder he or she is satisfied is or has contravened the bill or a condition of the authority. Similarly clause 311 provides that the Environment Protection Authority (EPA) will also be able to issue an improvement notice where a holder of an authority is not complying with a monitoring and verification plan forming part of an injection testing plan. Clause 271 permits the minister to issue a prohibition notice against an authority holder when, in his or her opinion, an event is occurring or is likely to occur creating an immediate risk of injury, or damage to property or the environment. The EPA will also be able to issue a prohibition notice under clause 312. Clause 273 provides a right of review in respect of improvement and prohibition notices, which under clause 314 will extend to those notices issued by the EPA.

Clause 270(3) imposes a penalty of 240 penalty units for failing to comply with an improvement notice. Clause 271(4) imposes a penalty of 600 penalty units for failing to comply with a prohibition notice. Clause 271(5) provides that if the holder of an authority fails to comply with a prohibition notice, it is guilty of an offence for each day the failure to comply continues, and prescribes a penalty of 20 penalty units for each such day. The penalties are the same in respect of notices issued by the EPA.

Clause 274(1) provides a defence for failure to comply with an improvement notice if the accused proves that they did not contravene the act, or fail to comply with a condition of an authority in the manner set out in the notice.

Clause 274(2) provides a defence for failure to comply with an improvement or prohibition notice where the accused proves that they took all reasonable steps to comply with the improvement or prohibition notice.

By placing a burden of proof on the accused, clause 25(1) limits the right to be presumed innocent in section 25(1) of the charter, when the accused is an individual.

However, I consider that the limits upon the right are reasonable and justifiable in a free and democratic society for the purposes of s 7(2) of the charter having regard to the following factors:

The nature of the right being limited

The right to be presumed innocent is an important right that has long been recognised well before the enactment of the charter. However, the courts have held that it may be subject to limits, particularly where the offence is of a regulatory nature.

The importance of the purpose of the limitation

The principal means by which an improvement notice should be challenged is through the exercise of the right of review in clause 273. In those circumstances the validity of the notice will be determined on the civil standard of proof. The purpose and effect of the defence in clause 274(1) is to provide an accused who has not exercised the right of review with a further opportunity to challenge the basis for the improvement notice within the context of the criminal proceedings.

The purpose of the defence in clause 274(2) is to enable an accused to escape liability where the accused is able to

establish that he or she took all reasonable steps to comply with the notice.

The purpose of imposing a legal burden is to ensure the effectiveness of improvement notices and prohibition notices as a means of ensuring compliance with the act is not undermined.

The nature and extent of the limitation

The burden of proof is imposed in respect of affirmative defences only, and does not apply to an essential element of the offence.

The relationship between the limitation and its purpose

The imposition of a burden of proof on the accused is directly related to its purpose. Before the defences could apply, the prosecution would have to establish that the accused has failed to comply with an improvement or prohibition notice.

Less restrictive means reasonably available to achieve the purpose

Removing the defences altogether would not infringe the right to be presumed innocent. However, this would not achieve the purpose of enabling the accused to escape liability in appropriate circumstances. Although an evidential onus would be less restrictive upon the right to be presumed innocent, it would not be as effective in achieving the purpose of the provision.

Enabling an accused merely to point to or adduce sufficient evidence to raise the defence in clause 274(1) would undermine the effectiveness of improvement notices in ensuring compliance with the bill by authority holders. I consider it is appropriate that the issue of whether there is a proper basis for the compliance notice should be determined on the civil standard of proof, whether that is in the review process set out in clause 273 or in the context of the criminal proceeding.

The defence in clause 274(2) relates to matters that are principally within the knowledge and/or control of the accused. It would be difficult and onerous for the Crown to investigate and prove beyond reasonable doubt that the accused failed to take all reasonable steps to comply with the notice. I consider the imposition of a legal burden on an accused to prove the defence in clause 274(2) is appropriate to ensure that authority holders take all reasonable steps to comply with an improvement or prohibition notice, and represents an appropriate balance of all interests.

Other relevant factors

While the prescribed penalty can involve fines, it does not involve imprisonment.

The limitation is reasonably justified under s 7(2) of the charter. Accordingly, I consider that the bill is compatible with s 25(1) of the charter.

Cultural rights — s 19

Section 19(2) of the charter provides for Aboriginal cultural rights and, in particular, the right to 'maintain their distinctive spiritual, material and economic relationship with the land and waters and other resources with which they have a

connection under traditional laws and customs'. Those cultural rights are protected under the bill through:

- (i.) clause 10 of the bill which provides that nothing in the bill affects the operation of the Aboriginal Heritage Act 2006. The purpose of that act is to protect Aboriginal cultural heritage, which means Aboriginal objects, places and human remains. The act contains offence provisions for harming Aboriginal cultural heritage;
- (ii.) clause 150 of the bill which prohibits the issuing of an authority in respect of native title land unless the minister is satisfied that the relevant procedures under the Native Title Act 1993 (cth) have been followed; and
- (iii.) clause 208 of the bill which ensures that if the right to negotiate provisions of the Native Title Act have applied or an indigenous land use agreement applies, the provisions of the Native Title Act prevail over any similar provisions of the bill, unless the parties otherwise agree in writing.

In the light of these provisions, I consider the bill is compatible with the cultural rights in s 19 of the charter.

Right to property — s 20

Section 20 of the charter provides that a person must not be deprived of his or her property other than in accordance with law.

Clause 14 of the bill provides that the Crown owns all underground geological storage formations at depths of 15.24 metres or more below the surface of any land in Victoria.

The Crown does not presently own all underground geological storage formations. The effect of s 339(1) of the Land Act 1958 is that the state owns geological storage formations (naturally occurring or enhanced) that lie beneath parcels of Crown land (at any depth); and depth-limited parcels of freehold land, first alienated by the Crown after 29 December 1891, for purposes other than mining. Accordingly, clause 14 will provide that the ownership of underground geological storage formations at depths of 15.24 metres or more below the surface of the land vests in the Crown. It is arguable that this could amount to a deprivation of property for the purposes of s 20 of the charter.

However, as any deprivation occurs in accordance with the provisions of the bill, it is in accordance with law and does not limit the property right in s 20 of the charter.

Accordingly, I consider that the bill is compatible with the property rights in s 20 of the charter.

Conclusion

I consider that the bill is compatible with the Charter of Human Rights and Responsibilities because to the extent that some provisions do raise human rights issues:

- these provisions do not limit human rights; or
- to the extent that some provisions may limit human rights, those limitations are reasonable and demonstrably justified in a free and democratic society.

The Hon. Gavin Jennings, MLC

Second reading

Ordered that second-reading speech be incorporated on motion of Mr JENNINGS (Minister for Environment and Climate Change).

Mr JENNINGS (Minister for Environment and Climate Change) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

The Victorian government is committed to reducing atmospheric greenhouse gas emissions by 60 per cent by 2050 compared to 2000 levels. It is also committed to ensuring a safe, secure, reliable and affordable energy supply and enabling the value-added processing of Victoria's fossil energy reserves.

In a carbon constrained world, carbon capture and geological storage technologies are required to offset the continued use of Victoria's fossil fuels.

Economic incentives, such as a price on carbon dioxide emissions, are likely to be the longer term drivers for investment in carbon capture and storage. The necessary preconditions for that investment are: clear legal rights to explore for underground geological storage formations and to store greenhouse gases; and an efficient, transparent and credible regime for assessment, approval and operation.

The Brumby government is therefore pleased to introduce legislation today to facilitate and regulate carbon capture and storage in onshore Victoria, as part of the government's commitment to the reduction of atmospheric greenhouse gas emissions.

This bill provides investors with a clear signal that Victoria is committed to the development of carbon capture and storage. The legislation will also protect public health and the environment, respect the interests of private land-holders and provide mechanisms to ensure that the community, including relevant municipal councils, are consulted and their views taken into account as part of the decision-making process.

The bill creates a framework to facilitate and regulate the injection and permanent storage of greenhouse gases. This framework is based on an existing model established by the Petroleum Act 1998 and has been adopted because carbon capture and storage uses many of the same technologies as the petroleum industry. It is a model that industry is familiar with.

That said, the bill addresses a number of unique legal issues, such as the potential migration of the injected greenhouse gas substances and the management of long-term liabilities and monitoring and verification requirements associated with the permanent underground geological storage of greenhouse gas substances. Accordingly, the bill has been developed as stand-alone legislation, rather than as an amendment to existing petroleum legislation.

The bill is also consistent with, and complements the proposed commonwealth legislation to enable offshore

injection and storage of greenhouse gas substances, which will be mirrored, to the extent practicable, in legislation for offshore storage in Victorian waters.

I now turn to the key provisions of the bill.

Role of the Crown

The bill establishes that the Crown owns all underground geological storage formations below the surface of any land in Victoria. This will allow the Crown to grant exclusive rights to explore for geological storage formations in a specific area, and where a suitable geological storage formation is identified, to undertake greenhouse gas injection and monitoring operations.

The bill also makes clear that on surrender or cancellation of an injection and monitoring licence the Crown becomes the owner of any greenhouse gases that have been injected into the geological formation.

Authorities

The bill will facilitate primarily large-scale commercial carbon capture and storage activities. It establishes a system of titles for the injection and permanent storage of carbon dioxide and other prescribed greenhouse gases. These are:

- a greenhouse gas sequestration formation exploration permit;
- a greenhouse gas injection and monitoring licence; and
- a greenhouse gas sequestration formation retention lease.

The bill provides flexibility as to the duration, size and conditions associated with such permits, leases and licences.

Management of public health and environmental issues

The bill includes special requirements for approval of injection operations.

Injection operations must not be approved unless the minister is satisfied the proposed operations will not present a risk to public health or the environment — this is a fundamental precondition for the approval of any injection operations under the bill.

To assist the minister in determining whether to approve any application for injection operations, the bill requires the minister to refer any applications for approval of injection operations to the ministers responsible for the Environment Protection Act 1970, and the Water Act 1989 and the Environment Protection Authority for comment, including the making of binding recommendations with respect to whether the proposed activities pose a risk to the environment.

Management of competing resource uses

The bill requires the minister to assess the impact on other resource uses before determining whether to approve injection operations.

Where proposed injection operations pose a significant risk of contamination or sterilisation of other resources, the minister may approve the proposed operation if he or she considers it in the public interest to do so, notwithstanding the impact on the other resource.

Before making any public interest determination with respect to competing resource use, the minister must refer the matter to an independent panel or other relevant agency or department for recommendation.

A public interest determination is not required where the consent of the other resource title holder is obtained and the parties enter into a compensation agreement.

In this context, however, the minister must still be satisfied that the proposed injection operations do not pose a risk to public health and/or the environment.

Exemption from certain approvals and licensing requirements

To minimise the regulatory burden on potential carbon capture and storage operators, the bill provides that such operators are not required to obtain certain approvals under the Environment Protection Act 1970 and the Water Act 1989 where an authority under this bill is awarded and the operator has an approved injection testing plan or injection and monitoring plan.

The bill also exempts exploration operations and, where there is an approved environment effects statement, injection and monitoring operations from the requirement to obtain planning approvals, where the consent requirements of the bill are followed. This is consistent with the approach taken in the Petroleum Act 1998.

Access to land and consent requirements

Geological formations suitable for the permanent storage of greenhouse gases may lie under any land, public or private. Accordingly, the bill contains requirements modelled on the Petroleum Act 1998 and the Geothermal Act 2005 to ensure sound planning and the protection of the environment. In particular, the bill makes provision for thorough consultation with both public and private landowners as the case may be, consideration of their interests and, where necessary, the payment of compensation to the landowner.

Importantly, the bill:

- bans all carbon capture and storage injection operations in wilderness areas, reference areas, marine national parks and marine sanctuaries with the highest conservation values;

- requires an additional consent from the minister responsible for the National Parks Act 1975 for any activities which occur in land covered by that act;

- requires consent of the relevant minister to access restricted Crown land;

- requires consent of the private landowner and a compensation agreement for carbon capture and storage injection and storage activities on private land;

- provides for dispute resolution and appeals to the Victorian Civil and Administrative Tribunal on matters of compensation; and

- requires compliance with the Aboriginal Heritage Act 2006 and the commonwealth Aboriginal and Torres Strait Islander Heritage Act 1984.

Community consultation mechanisms

The bill imposes a duty on carbon capture and storage operators to consult with the local community, including relevant municipal councils, throughout the period of the licence and to prepare a detailed community consultation plan.

In addition, the bill provides for a formal community consultation process where an application for approval of injection operations does not trigger the environment effects statement processes.

Operational requirements

The bill provides a range of measures to ensure that greenhouse gas injection and storage activities are carried out in accordance with agreed operational plans, that title-holders have agreed rehabilitation bonds and that the government can rehabilitate sites where necessary.

Surrender of injection and monitoring licence

The bill requires the holder of an injection and monitoring licence to conduct post-injection monitoring until the licence holder can satisfy the minister that the stored greenhouse gas is behaving in a predictable manner and that the risks associated with permanent storage have been reduced to as low as reasonably practicable.

Under the bill, an injection and monitoring licence may only be surrendered where the minister is satisfied that:

the stored greenhouse gas sequestration substance is behaving in a predictable manner;

the risks associated with permanent storage have been reduced to as low as reasonably practicable; and

approval of the application for surrender will not result in any risks to public health or the environment.

An applicant for surrender will also have to prepare a long-term monitoring and verification plan for the minister's approval, and pay the agreed estimated costs of that monitoring, which will have been provided by the licence holder over the licence period.

Management of potential liabilities following surrender of licence

Following surrender of the licence, the state will be responsible for undertaking any monitoring and verification activities which may be required.

Similarly to the commonwealth offshore carbon capture and storage legislation, the bill does not alter the common law liabilities of a carbon capture and storage proponent.

Enforcement

The bill provides for a range of offences, penalties and enforcement provisions to ensure that carbon capture and storage exploration and injection operations meet community expectations for the protection of public health and the environment and that titleholders' rights are respected.

The carbon capture and storage regulator

For the first four years after commencement of the legislation, the Department of Primary Industries will regulate all aspects of carbon capture and storage injection and storage.

Thereafter, responsibility will be shared:

the Department of Primary Industries will continue to be the regulator responsible for acreage release and the award of licences and permits, including approval of applications for surrender of injection and monitoring licence; and

the Environment Protection Authority will become the regulator responsible for monitoring and verification.

Conclusion

It is early days for carbon capture and storage across Australia. As our understanding of Victoria's underground geological storage formations and carbon capture and storage injection and storage technologies grows, this legislation may evolve.

However, in introducing this bill, the government is seeking to establish a forward looking framework to encourage exploration, and the development of the carbon capture and storage injection and storage industry. This bill seeks to ensure that all aspects of carbon capture and storage injection and storage activities are conducted sustainably and in an open, transparent and consultative way which meets community expectations.

I hope that this bill is a first step towards a future where carbon capture and storage injection and storage operators contribute substantially to enabling Victoria to meet its climate change mitigation responsibilities, at the same time as enabling the ongoing use of the state's fossil fuel resources.

I commend the bill to the house.

Debate adjourned on motion of Mr HALL (Eastern Victoria).**Debate adjourned until next day.****ENERGY LEGISLATION AMENDMENT
(RETAIL COMPETITION AND OTHER
MATTERS) BILL***Second reading***Debate resumed from 9 October; motion of
Mr JENNINGS (Minister for Environment and
Climate Change).**

Mr HALL (Eastern Victoria) — This morning I am pleased to have the opportunity to respond to the Energy Legislation Amendment (Retail Competition and Other Matters) Bill 2008. In a nutshell, this bill modifies the regulation of electricity and gas tariffs, and it also makes some modification to gas market rules.

It is rather ironic that we are standing here in Lakes Entrance debating this bill today when half of the bill is completely irrelevant to the people of Lakes Entrance and surrounding communities, because there is no natural gas reticulation in Lakes Entrance. In fact there is no natural gas reticulation east of Bairnsdale. The issues of natural gas management, regulation and tariffs associated with it are not applicable to this particular region of the state where we are now spending a couple of days. It is particularly galling to the people of Lakes Entrance and East Gippsland, because when they look out to the horizon from the front of this building, they are looking in the general direction of Esso-BHP Billiton's significant natural gas and oil infrastructure. That natural resource material gets processed in Longford.

In addition to that, in an area which is north of Lakes Entrance, only about half an hour up the road, another company also has significant oil rigs with oil and natural gas which is processed and brought ashore. That is called the Patricia Baleen development which has a gas processing plant at Marlo. On either side of Lakes Entrance there are gas processing plants and production plants, but there is no natural gas reticulation in this very town.

I acknowledge there has been a government program, both under this government and also under the previous government, to assist with the rollout of natural gas facilities. Currently Bairnsdale and Paynesville are on the list. But there is a natural gas pipeline running from Longford to Sydney, probably about 5 kilometres in the direction that I now face, and again there is no opportunity for people in Lakes Entrance, Orbost, Cann River or Mallacoota to tap into that natural gas pipeline. I say to the government in respect of this issue, while also acknowledging what has been put in already, that there needs to be further support for the continuation of the rollout of natural gas reticulation right throughout this region and other parts of Victoria.

At the moment people in East Gippsland rely on bottled gas, which is a particularly expensive option, but it is the only option they have if they want to use gas appliances. Otherwise they continue to rely on electricity for heating and cooking needs, which is an economic impost on people in this part of Gippsland compared to other parts of the state that have access to natural gas. Some people also rely on wood as an energy source for heating and cooking, and members would be well aware of policy changes which have limited the opportunity to harvest wood for heating and cooking purposes in recent years.

When we are debating this bill we need to keep in mind the circumstances of the local people. Yes, the electricity modifications and changes proposed in this bill are applicable, but by far the biggest areas of East Gippsland are not yet recipients of natural gas; therefore some of the comments we make in respect of those provisions are completely irrelevant to the people here today.

As I said, it is ironic that we are debating this bill today when it was not so long ago that this government cried loud and hard about the impost of the deregulation of gas and electricity tariffs in Victoria. During the term of the previous government I can recall when uniform tariffs were superseded by other regulatory procedures. The Labor Party, which was then in opposition, was the strongest opponent of deregulating electricity and gas prices. Now the Labor Party seems to be the champions of it, because this bill takes deregulation of tariff prices further and further.

The justification for the changes in this bill, as outlined by the minister in the second-reading speech, was that competition was effective and therefore further regulation was possible. The question that most of us would ask, as consumers of these products in Victoria, is: is there really competition in this industry and is it working? If you asked country people, I bet most would answer no, and their responses would be tailored according to the information they received about their tariffs. Every one of them, to a person, would say, 'My electricity bill has gone up and my gas has gone up; therefore I am not enjoying any benefit of competition'.

I would also suggest that most country people may recall receiving some notes in an envelope from different retailers of both gas and electricity suggesting the virtues of using their companies, but it is difficult for people to make the decision to swap or change or make use of various offers coming from retailers of electricity or gas when there is no sound, established, common criteria for comparing the offers that electricity or gas companies may be putting to consumers. I am sure, Acting President, that you and other members would have received such information from retailers and found it difficult to make comparative judgements about the merits of their particular proposals to you.

What the coalition's shadow minister, Robert Clark, has clearly called for publicly for some time now is the requirement of common criteria for offers that are put to the people of Victoria so they can fairly and reasonably compare different offers from different companies. I say to the government that that is the thing I think still needs to be done. It is not too late for it to be

done. It can bring to the Parliament legislation which would require the expression of offers for utility services in a common form so that people can make their comparisons. I repeat that call today.

Let me go to some of the main provisions of the bill. As I said in my opening remarks, essentially what they do is make some, what I describe as mechanical, changes to the way in which electricity and gas tariffs are structured and also make some modifications to the market rules applying to natural gas.

One of the main provisions stipulates that the standing offer for retail gas and electricity tariffs may only be regulated by the state government if the Australian Energy Market Commission has found that retail competition is not effective and recommends that price controls be retained or reintroduced. As I said in respect of that, there is a judgement made about the effectiveness of the competitive nature of electricity and gas retailers in any part of Victoria.

The bill also requires retailers to publish standing and various other offers on their websites, publish notices of changes in newspapers and advise customers in writing of changes. It requires the Essential Services Commission to publish standing and relevant published offers on its website and to report annually on the tariffs, terms and conditions under which electricity and gas are sold. That is an admirable concept, and certainly the coalition is happy to support the intent of the clauses which go to the changes I have summarised, but again I make the comment that there is no prescription about how that information needs to be presented on the websites of those companies. It goes to the issue I spoke of earlier, about the difficulty in customers interpreting the various offers put forward by electricity and gas retailers.

The bill also transfers responsibility for the approval of gas market rule changes and of fees charged to participants, and it provides for dispute resolution processes to be included in retail gas market rules. This is a common-sense provision which the coalition is again happy to support. The bill also amends the definitions of 'standard' and 'complex' gas installations for gas safety regimes and allows regulations to be made for electricity and gas safety regimes. It makes further transitional provision for the transfer of economic regulation of electricity and gas distribution. It is a riveting bill when you think about those mechanical changes! I do not think the audience nor my colleagues in this chamber would welcome a debate going into each one of those aspects. I do not think that debate would stimulate people to any great extent.

But there is an important provision which I want to make some comments on, and that is the provision relating to the rollout of smart meters, and essentially in this bill there are clauses which enable the orders in council to establish what are said to be — and I quote from the minister's second-reading speech:

... more efficient mechanisms for the recovery of costs for the rollout of advanced metering infrastructure.

The smart meters have been talked about for some time — again and again they have been talked about. It started in 2001, and it was suggested that smart meters would be available to all Victorian consumers of electricity and gas by 2004. Then that date changed to 2006; then that date changed to 2008; and that date is now mid-2009. They are yet to be seen, so it is with a reasonable amount of scepticism that we in the coalition wonder whether they are going to be delayed further. After all, they have been promised time and time again and are yet to be delivered.

Even in the latest comment from government with respect to the rollout of smart meters we are advised they are not going to be so smart after all. There is going to be a limited use of smart meters and perhaps restricted to the remote reading of meters. That might save the energy companies something but it will have little impact on customer cost. When smart meters were first proposed it was going to do all sorts of wonderful things, including giving consumers the power to tap into electricity and gas at a cheaper price at other times of the day, but it seems that technology has not developed and will not be developed to that extent according to recent government comments. The people of Victoria have been let down by the so-called smart meters fiasco. If the history is anything like the myki fiasco, which is another smart system for ticketing, then there will be some horror stories before the end of the day with respect to those smart meters.

I also have some concerns about the order in council to establish a more efficient mechanism. We all understand that Parliament does not have specific authority to knock back an order in council, so we are concerned about the cost transfer that customers may incur with the introduction of smart meters for electricity and gas. The people of Victoria should be rightly concerned about that. I do not want to have to pay extra money just so that an electricity or gas company can read my meter remotely. I would expect something more if I were paying for a service, and the government needs to do a lot of work so that the people of Victoria get value for money and are confident that a smart metering system is delivering some economic benefit to them. This is an issue that we in coalition will

watch very closely because the continued delays that we have had in the rollout of those smart meters for electricity and gas meter reading do not augur well for the government.

This bill is largely mechanical in nature. We are not convinced that the government fully understands the impact of these changes on country Victoria. Evidence of this is the fact that recently this government abolished the network tariff rebate which supplied country people with at least an equalising factor on the distribution cost of electricity. That rebate was implemented when retail electricity was privatised. It was there to ensure that the cost differential in the distribution of such commodities was shared equally across the state. It started at something like a subsidy of \$132 million per year to some retail companies, if my memory is correct. It has been reduced significantly by the Labor government and now there is none. Most country consumers would make the claim that competition has not been effective in reducing the costs to them, and with the abolition of the uniform tariff rebate the government has not played its role in making sure that the new pricing structure for commodities in country Victoria is fair.

I urge the government to take my comments on board. We will not be opposing this legislation because basically it takes the whole issue about tariffs for electricity and gas further along the unregulated path. Nevertheless the government and the opposition need to be diligent about monitoring the impact of these changes to ensure that the claimed benefits are shared by all Victorians and not just those in capital cities. With those comments I indicate that the coalition will not be opposing this bill.

Mr THORNLEY (Southern Metropolitan) — I rise to speak in favour of the Energy Legislation Amendment (Retail Competition and Other Matters) Bill 2008. This is a bill to make a more perfect market. It is part of a long series of reforms that this government has brought in to deliver the most competitive electricity retail market in the world. As former Prime Minister Paul Keating used to say, 'Competition is a Labor word'. This is something that we are fundamentally committed to: designing markets that deliver the best form of competition, which therefore delivers the lowest prices and the largest amount of choice to consumers. But, as Mr Hall quite correctly points out, choice is only useful if people can make an informed choice and are able to understand the various options put in front of them by the competitors and be able to choose the option that suits them best. Part of what is in this bill advances that cause.

Let me talk for a little while about the specifics of what we are doing here and what we are not doing. We are gradually stripping away the layers of 'thou shalt' and 'thou shalt not'-type regulation in the face of all of the evidence that shows that just letting the competition run is currently working effectively, so maintaining the standard tariff regime and the other matters is no longer necessary. We have seen, and all of the evidence shows, that electricity prices are cheaper for most consumers by somewhere in the region of 5 per cent to 10 per cent as a result of the level of competition which the current regime deploys, so we can remove those invasive forms of regulation. But the bill is quite clear that it retains a reserve power to reintroduce that regulation if, for whatever reason, the competitive environment ceases to be competitive or effective in that way.

I think that is exactly the right way to approach things. You design a market, you put a set of rules in place, you let the competition take place and you get out of the way. If that competition delivers a good result for customers, a good result in terms of the level of competition and a reduction in prices then you stay out of the way. If that does not work, you either look at changing the rules a little bit, or, if you need to, you come back and intervene. That is exactly the right way for us to be approaching this. The work this government has done so far has delivered better competition, it has delivered greater choice and lower prices, and this is another step further down that path.

What this bill does not do is remove any of the critical parts of that market framework to ensure that in a more competitive environment that competition is not undertaken in a way the disadvantages people, particularly people who themselves are disadvantaged. The financial hardship requirements will not change; the wrongful disconnection provisions will not change; and the energy concessions will not change. All of those things are a necessary safety net to ensure that a more vigorous competitive market does not somehow lead to people being taken advantage of. I contrast that to, for example, the retail financial services market in recent times where we have seen the practices of predatory lending and other forms of activity where competition has driven companies to do things that are wrong, that are exploitative and that take advantage of people's limited capacity to understand a complex transaction. We are now unfortunately living with the consequences of that worldwide. This bill is a part of a regime that makes sure we keep a safety net that ensures people cannot be exploited, but we otherwise get out of the way and let the competition run, deliver better choices and lower prices, while keeping in

reserve the capacity to re-engage with the process if that is not actually the outcome the market delivers.

I want to take up a couple of points that Mr Hall made, and we appreciate the support this bill will receive across the house. The point about needing to establish sound criteria for people to make decisions is a fair one, and it is part of ensuring that we have an informed consumer base. The only thing I would say is that we do not have to write all of that and everything you might do into the legislation. We are trying to get away from that sort of very heavy rule-book approach to things. There are a lot of things you can do. It is primarily about education and the provision of information. A lot of those things can be done in an executive way by creating environments where people have that information and by running information campaigns to ensure that people understand the choices in front of them, and that is exactly what the government will be doing. We have a campaign running in October and November of this year, and again in February 2009, to make sure people understand the quite complex choices they have but also the benefits they can get from really understanding the different offers available when they buy their electricity and making sure they have that information.

I note that in other environments where governments have sought to assist consumers — again, not by putting a vast regulatory rule book in place but by providing simple information such as websites which contain uniform information in areas like grocery and petrol pricing — those efforts have been howled down by people associated with those opposite as somehow wrong or ineffective, and now they are calling for exactly the same sort of thing to happen in electricity. It is good to give people good information which enables them to compare the offers from various producers, and the internet is an obvious forum to do that publicly. To run an educational campaign to help people understand how the different parts of the electricity pricing process work so that they can make an informed decision is also good.

Secondly, on the subject of smart meters, it is really important that we get that infrastructure in place. It is a classic example of what I spoke of earlier today — an area where we can improve environmental outcomes, save people money and create jobs. What is not to like about that trifecta?

Mr Hall is quite right that the creation of that smart meter infrastructure will certainly potentially lead to a reduction in the meter measurement costs for the retailers, and that has to be a good thing. Given that we have the most competitive electricity market in the

world, that reduction in cost will almost certainly lead to a reduction in prices. The smart meter technology also will create much greater ability for people in their own homes to understand what is going on with their electricity consumption and to find ways to minimise that. As that infrastructure is put in place eventually appliances and other mechanisms will be able to be linked in. People will also be able to have greater control over energy usage when they are not in their houses. The remote benefits are not just to the producers but also to the consumers.

It is really important that we get in front on this. We all know that electricity generation is the source of two-thirds of our emissions in this state. We are looking to the long-term changes that will significantly bring down the amount of carbon emissions per kilowatt hour of electricity generated, and in the meantime giving people the tools and the technology to enable them to reduce their own energy consumption will both save them money and reduce emissions. Putting all of that in place will create a lot of jobs for a lot of sparkies and a lot of tradies. The work we are doing in the gas area will create jobs for a lot of plumbers. These are again ways that we can improve the environment, save people money and create jobs. Surely that is a trifecta that we would like to deliver on.

Finally, to put this bill in context, as Mr Hall suggested the bill is a relatively mechanical bill. I do not think it is particularly controversial, and it is not being opposed. However, the bill does form part of a longer sweep of history that explains a little bit about how this government and the Labor Party view the role of competition and the role of market design. In the history of the Victorian electricity industry the easy thing was done first, which was selling off the generators to private owners. That was not a difficult decision to make. Most people would have been happy to do something that netted \$26 billion into the kitty. The hard thing was then to design a marketplace where real competition delivered real price benefits and choice benefits to consumers. Designing that market is the hard work. The easy part was the privatisation; the hard part was designing the market. When this government took office there was none of that. There was essentially a privatised monopoly, which is really the worst kind because it is not accountable to the taxpayer or the voter. It was a series of monopolies where there was no competition and therefore no accountability.

What we have successfully achieved is the introduction of the most competitive electricity market in the world. We have done the hard work of designing that market. We are now recognising the areas where that market can be further improved to make a more perfect market.

That is where this bill fits in. I am very proud to be part of not just this bill but of a long history of reform that this government has implemented in the electricity market. We will continue to do things that deliver to people better prices, more control, more choice, more jobs and lower emissions. If we can do things that are that good, we should keep doing them. I commend the bill to the house.

Mr BARBER (Northern Metropolitan) — Mr Thornley is right — creating a competitive market out of a natural monopoly like electricity is a very hard job. That is why this government has done such a bad job of it. The electricity market operates both as a natural monopoly and as a public good. This regulation that we are constantly seeing is all designed to regulate for competition where it would naturally not exist. Since the most important aspect of that is just now being implemented with this bill and later changes, we are yet to see the true results of it. What the government is doing here is conducting an experiment, and while it may think it knows a lot about designing markets and running them, it will not find out the result of this particular experiment until it is out there running.

This is just one in a series of bills that, essentially, continues a trend of the state government taking itself out of the job of regulation and handing off various bits of that task to other people. It is what this bill does not do that I have a problem with. Unfortunately I cannot vote against a bill for what it does not do, but I will repeat some of the comments and bring forward some of the same evidence that I brought forward when we debated an earlier bill about a year ago that was on the same theme.

For a competitive market to operate you need a few things: perfect information; zero transaction costs; and, certainly theoretically, unlimited access to capital at the same price whether as a borrower or a lender. It is not hard to see why in the case of electricity, and it is not only in theory but in the way it has been operating, those conditions do not really apply. There should be a big sign up saying, 'Wrong way — go back'. Instead Mr Thornley is glowing in his support for this course of action. That is understandable. I heard his little spiel. I cannot remember it exactly, but it was all along the theme of how we should be steering and not rowing and that light-touch regulation is better.

Obviously all that Ted Gaebler stuff in *Reinventing Government — How the Entrepreneurial Spirit is Transforming the Public Sector* changed Mr Thornley's life when it was published in the early 1990s. It was big at the time, so was Huey Lewis and the News, but I am no longer such a big fan of that band — —

Mr Thornley interjected.

Mr BARBER — I came close to buying one of its albums, but I did not. I did buy *Reinventing Government* and read it, and I certainly thought it was an interesting book at the time. I adopted some of the ideas myself, but the world has moved on. The market for electricity is not like the market for chocolate bars or home insurance or prepaid funerals. It operates in a fundamentally different way.

The principal focus of the bill is to make amendments to two relevant acts, following a review by the Australian Energy Market Commission (AEMC) that found that competition in both sectors is effective. Under the previous situation there was a retail code that set terms and conditions, and for the last six years the government has met with those retailers to determine the standing offer price. Standing offer is quite important. Standing offer is, in fact, the last important element here. The bill provides that the existing power to regulate the standing offer retail tariff still exists, but by my reading of the bill it can only be exercised if the Australian Energy Market Commission finds that retail competition is not effective and recommends that price controls be retained or recommenced.

Mr Thornley described it as a reserve power, but it is not one that can be exercised under any conditions where the government finds that the situation has become diabolical. The only situation, by my reading of the bill, in which it can do that is when the Australian Energy Market Commission finds retail competition is not effective and recommends that price controls be retained or recommenced. In effect the retailers determine the standing offer price and there is no meeting with the government any more. The retailers are required to publish standing offer prices and conditions on their websites and in newspapers — we did all this with the previous bill — and the Essential Services Commission publishes material on its site and reports annually. In other words, from what we were told in the briefing, it is described as making observations or looking at trends in the market.

We were also told — and I hope the information is correct — that there is no process for the Essential Services Commission, as a result of one of its reports, to recommend intervention by the minister. The minister's ability to intervene is limited to noting the annual report of the ESC and then asking the Australian Energy Market Commission to review whether competition is effective. That seems quite a convoluted, roundabout way of doing things — you are either in or out, as far as I can tell.

Coming back to the issue of information, or what I described as perfect information, there is no such thing as perfect in lay terms, but in economic terms 'perfect information' means that all the information that individuals would need in order to trade is exposed to the market and there is no particular secret information that is being held back by one party or another. The bill does not give me any confidence that retailers are required to provide information on tariff rates in a format that consumers can use to compare them with the rates and conditions of other retailers. It is hard enough with a mobile phone plan; you never know what exactly you are getting. You have to read a lot of fine print to understand it, and even then you can go over your cap and then suddenly, instead of getting a really cheap deal, you find you get a massively expensive one. I have been caught that way myself. All those possibilities apply to the electricity market, but to an even greater extent.

The Consumer Utilities Advocacy Centre produces regular newsletters on this issue, and I have looked at its July 2008 newsletter. In both 2006 and 2008 it conducted its own research to determine how easy it was for a consumer to find a product information statement (PIS) on a retailer's website and how useful they were as a price comparison tool. It put forward the position that these PISs are both hard to find and confusing in terms of the mix of terminology, inconsistent formats across retailers and incomplete product information. If it were a PDS — product disclosure statement — for a financial product or an investment in a toll road, we would be reasonably confident that those readers, the investors, were familiar with the information. They would have assembled enough money in their skyrocket in order to be able to get down at some sort of — —

Mr Thornley interjected.

Mr BARBER — I think that is exactly the point, Mr Thornley. Even with those products, there have been class actions and litigation about the information provided in a PDS being incorrect. Here we have a lone consumer, downloading and reading something from the internet that has terminology and formatting not regulated for their protection.

In the Legislative Assembly debate on this bill there was only one mention of door-to-door sales. It is basically seen as a consumer affairs issue and not an innate problem of this market. I come back to the fundamental tenet that consumers must be able to make informed decisions before they enter into contracts with retailers. It is not just a matter of making your own choice; we are talking about people turning up on your

doorstep, possibly at an inopportune time when you are not thinking about making a particular decision, and giving you a hard sell.

Mr Thornley interjected.

Mr BARBER — Thank you for that assistance, Mr Thornley — that was exactly the point I was making. We have great problems with those sorts of products in life insurance, but here we have an even more difficult situation in that people fundamentally do not understand or care about the product they are buying. That is the market for electrons. You switch on a light, you want it to come on, and you do not really care how it works as long as it works.

Mr Thornley believes it is going to be a case of retailers competing on price and that is how we are going to get lower prices, but I am arguing that the fundamental basis of competition in this — —

An honourable member interjected.

Mr BARBER — I can see the Huey Lewis and the News crack really got up Mr Thornley's nose, didn't it? There will not be competition on price when we have got door-to-door salespeople giving you information and using high-pressure sales techniques. The sort of competition we have got now is glossy booklets and gee-whiz factors being sent to your address, when you yourself do not really understand much about the pattern of your use of electricity.

This brings us to the smart meters issue. Everybody around the table seems to agree there have been problems with the rollout of smart meters, and the situation is less than ideal, yet some people are relying on smart meters as the basis of their argument. There have been issues of cost, delay and a poor range of functions that have eventuated as against the original promise of what the smart meters were going to do. We are left feeling suspicious — and the Greens do not have to be deeply suspicious to believe that the smart meters, a project which has been rolled out, by the way, in secret — —

Mr Pakula — How do you know about it?

Mr BARBER — What I am saying is that not every aspect of the rollout — the types of meters and rules and so forth — is revealed. There are various committees out there working on it that are all sworn to secrecy, and there are reference groups that cannot talk to the public. As a result there has been very little debate on the introduction of smart meters, because there has been no information about it to debate.

However, it is coming out that these meters are going to serve the interests of retailers more than those of consumers. Over the last few years there have been some massive ructions in the wholesale and generation side of the electricity market. They are not just the recent problems associated with the drought and the lack of water and rocketing prices, because a number of years ago we had the instance where — this has been a problem for retailers of electricity — on four or five especially hot days of the year, for just a few hours in the afternoon the price that we usually pay for electricity of around 17 cents per kilowatt hour rocketed up by a factor of thousands due to short-term demand which could not be met. This massive peaking problem of electricity has occurred only sometimes — an about four or five days a year. In those cases, because that cost could not be passed on to electricity customers, the retailers were getting hammered. Generators and wholesalers were quite happy about it, but the retailers were absolutely screaming.

Given those circumstances, imagine a situation where there is little regulation left around the price on offer, where people have poor information about it, where retailers have very good information about consumers' individual pattern of electricity use and people are turning up at people's doors having noticed that the person has a dirty great air conditioner on their roof and realising just from looking at the front of the house that the person there is probably home at 4 o'clock on a hot weekday afternoon and thinking, 'There is someone who is going to be a high user of electricity. We will target those households going down the street. We will sign them up to a plan, like a mobile phone plan, that says, "Your electricity looks really cheap except if you blow your cap", or, "In this case, if you use electricity at certain peak demand times you are going to pay an absolute fortune"'. And the consumers will not know about it. They will be hit by it in their first summer when they get a bill three months down the track.

One of the concerns about this sort of deregulation has been redlining — the unwillingness by retailers to service certain low-value customers. I am more concerned about the opposite of that, which is specifically targeting people on the characteristics of their household and signing them up to a plan with repercussions they will not understand.

The research by the AEMC (Australian Energy Market Commission) — which is the basis, I believe, of Mr Thornley's claim that we have the most competitive market in the world; it is a claim that has come out of the AEMC's findings — found that basically three host retailers supply 80 per cent of electricity customers and nearly 90 per cent of gas customers. Only 10 per cent of

electricity customers and 6 per cent of gas customers have contacted a retailer in the past five years to switch, and 70 per cent of customers that have switched have done so because of door-to-door marketing. It does not sound very much like a competitive market to me; it sounds like a market where people are almost completely disengaged with the product and only act more or less on impulse.

Mr Thornley interjected.

Mr BARBER — Correct, Mr Thornley. I am not the guy coming in here trying to design a piece of regulation to force competition and force choice onto electricity retailers. I am pointing out that it is a natural monopoly and that it has remonopolised to a greater extent since privatisation in the sense of both vertical integration and the number of people who are covered by particular retailers. Certainly you would have to argue that this is oligopoly competition, with 80 per cent of electricity customers under three retailers, and really two big ones.

In the material it put forward to the AEMC, the Victorian Council of Social Service reported that half of domestic customers who received offers did not understand them and that 89 per cent of customers who switched used one or no sources of information when making the decision. VCOSS concluded:

Clearly Victorian consumers are overwhelmingly uninformed and passive with regard to energy products.

That is my view. That is a reasonable proposition.

In light of that the environmental outcomes from this process are likely to be no better, because they feed into exactly the same issues I talked about earlier. Yes, there are some people out there who are now trying to get quite smart with their smart meters; they are taking a key interest in putting solar panels on their roofs and managing their own electricity. But the thing about those people, from watching the stories and programs that have been run — I think the ABC ran some sort of reality TV program where it encouraged people to be green in their homes —

Ms Mikakos interjected.

Mr BARBER — Sorry, Ms Mikakos, do you know the name of the program?

Ms Mikakos — No, but I did watch it.

Mr BARBER — She watched it as well. She knows the one I am referring to — through you, Acting President. They were individuals who were more or less doing it out of interest and as a hobby. They certainly

had the capital to invest in those sorts of things. That comes back to my previous argument about functioning markets — that is, in order to take advantage of some of these opportunities to protect the environment you will need access to capital. Most individuals do not have that. Renters are certainly not going to invest in fixed capital in a rented house, and their landlords are not going to make the investment because they are not the ones paying the electricity bills.

With these issues about a lack of information on how electricity is being used, how it is being sold, what you are paying for it and the opportunities to be taken from smoothing out those peaks — let alone the downstream investment in the distribution businesses, the poles and wires; that is certainly a true monopoly, and that is well recognised — there will not be, through this mechanism or any similar mechanism, great improvements to the environmental performance of our electricity system. You need only look back at the surging growth in electricity use over the time since privatisation to understand that.

I remember quite well the Texan chief executive officer of one of the companies that had just bought our retailers getting off the plane after landing in Australia and, when talking about the prospects of his new acquisition, saying, ‘I can’t believe how little electricity you Aussies use. Back home in Texas we use a much higher amount per household’.

Most of the process we have had so far in terms of deregulation and privatisation has simply been about new entrants coming in and pumping the asset for all it is worth. The environmental benefits that Mr Thornley alluded to are completely illusory, and I have little confidence that that situation is going to change with this bill being brought forward. It will be a more regulatory approach that will get us out of this climate crisis, and it will be through the sorts of measures that I have been describing.

Mr LEANE (Eastern Metropolitan) — I am very pleased to be speaking on the Energy Legislation Amendment (Retail Competition and Other Matters) Bill. Unfortunately for Mr Hall, who said he was sick of hearing about smart meters, I want to concentrate on the part of the bill that amends the Electricity Industry Act 2000 to enable orders in council to be made to establish a more efficient mechanism for the recovery of the costs of the rollout of advanced metering infrastructure in Victoria. The bill also amends the Electricity Safety Act 1998, under which I have a licence. I always like to speak on these bills. That licence allows me to work on electrical infrastructure,

and I do not rule out the possibility that I will be using that licence in the future.

Electricity is important in everyday life. It is everywhere we go. Ms Mikakos and I were talking about that mirror ball, which no doubt is connected to electricity and perhaps has been the thing that has inspired Mr Barber to talk about Huey Lewis and the News, and Janet Jackson. Maybe he used to boogie to their songs in the disco days. No doubt the schoolchildren who are in the gallery today would not have a clue about those particular artists. Just so they know, there was a popular music period known as disco where those particular artists might have been at their greatest height, and in terms of time relativity — just so the children gain an understanding of that timing — the disco period was probably just after the dinosaur age. Perhaps one of us should have called relevance on Mr Barber at the time.

Honourable members interjecting.

Mr LEANE — I think they are laughing inside. But to get back to the smart meters, I have to refute Mr Barber’s claims that smart metering is designed for the retailer rather than the consumer and also his claim that there is no advantage to the environment with this sort of technology. Where it has been installed in other jurisdictions it has been proven to cut power bills by between 10 and 30 per cent — and a reduction of 10 to 30 per cent on your power bill has to be a good thing. A reduction in power consumption of between 10 and 30 per cent also has to be a good thing for the environment.

I also have to refute Mr Hall’s claim that these meters are designed only for the remote reading of electricity consumption. When it comes to the functionality of advanced metering, the Liberal-Nationals coalition needs to get a bit smarter, because there are a number of things that these meters will do as a first stage. One of them is to remotely read consumption data, but it will be in half-hour blocks rather than the start–end data that is currently provided by standard metres. There is also an ability to remotely connect and disconnect power from premises, which will save that three-day period when you ring up and say, ‘I have just rented a house. I would like the power turned on’ or when you want to disconnect the power when you leave the premises. That would take away the situation where a person has left the premises and power is still available there for three days. If they had inadvertently left one of their electrical appliances on, rather than their being charged for that usage, the power would be disconnected from that point.

On a sombre note, as we are discussing generating companies, the original generating company in this state was the State Electricity Commission. I just want to take note of the Premier's apology to victims of asbestos who worked at the SEC in those days. According to an article in one of our mainstream papers regarding one of the SEC workers who was exposed to asbestos at the time, at least someone understands that it was not our fault. A number of decades ago in the electrical industry — as I know as a former electrical worker — asbestos was the wonder substance. Because of its insulating, heat-sinking qualities and its easy use, asbestos was the preferred insulator at the time.

Unfortunately, as the gentleman said in the article, no-one understood the health issues asbestos would create decades later. As an electrical worker, I have to say I am proud to be a member of a government that has acknowledged that it was not those people's fault. At the time, as I said, asbestos was not looked at as something that could affect people's health. It was looked at as a wonder material in the electrical industry because of its insulating qualities. I thank members for allowing me to divert to that, and I commend the bill to the house.

Mrs PETROVICH (Northern Victoria) — I rise to speak on the energy legislation amendment bill. I have spoken on a number of occasions about the effect of blackouts in Marysville in particular and in other areas in the Northern Victoria Region. These are a significant issue to the communities that are impacted on by the economic costs to business, the inconvenience and the health issues blackouts cause for many people, particularly the elderly during the summer months, which is when they seem to occur most. I would like to comment on the issue of better provision of this service, and I am pleased to see there will be better regulation as a result of the introduction of this bill.

The transparency issue affecting a lot of the activities relating to energy provision is difficult for the consumer to overcome. There seems to be myriad processes which are difficult for people to go through. Ascertaining responsibility for compensation for people who have experienced economic loss as a result of continual blackouts is a minefield for consumers endeavouring to recover the losses suffered by their businesses. One individual I have spoken about before lost their whole stock of product, amounting to nearly \$30 000 worth of goods, and to gain that compensation was quite difficult.

I also am pleased to see there is some focus on the green energy industry. Like many people in the community, I have received vast numbers of phone calls from a whole

range of suppliers selling their wares. I personally went through a process with one of the green energy companies that purported to provide green energy very cheaply in the Macedon Ranges. I was provided in great detail with some rhetoric about the benefits of the provision of green energy, which I support.

I am very keen to make sure that we have sustainable living in our communities, that our planet is protected and that CO₂ emissions are reduced. But there is also a philosophy in my area about wind energy and the appropriateness of that in relation to some of our view lines. When put to the test the green energy company admitted to me that there was very little green energy available in the state of Victoria and that the levy they were putting on their bills — we all want to support these industries — was actually going into research and development. I believe the community does not have available to it the appropriate level of transparency, because people think they are currently buying green energy.

Another area of concern to me is the rollout of natural gas. I live in the Macedon Ranges, and I am a strong supporter of that community. In fact as a former councillor on the Macedon Ranges council I was on the natural gas working committee and worked very closely with the state government at the time and a number of the gas providers to ensure that we got natural gas. The rollout was introduced with a lot of fanfare. I would like to draw attention to the \$70-million pot of money that was provided for that. I think about six regions were included. If you look at the extensive work that was required, you see that \$70 million was not really a lot of money.

A number of things have been brought to my attention through the work of a very hardworking and good community member in the Macedon Ranges, Sally-Anne Scrivener, and a number of other constituents. Sally-Anne ran a gas-related meeting last Saturday at the Mount Macedon Horticultural Hall. A number of people attended.

An honourable member — A lot of hot air came out of that meeting.

Mrs PETROVICH — There was a lot of hot air, but it was a beautiful day in the Macedon Ranges. The mount was God's country last Saturday afternoon. It was beautiful. Anyway, a number of people turned up to our meeting. The interesting thing that has occurred in the Macedon Ranges community is that a lot of areas have not been provided with natural gas. Roads that were promised would be part of the rollout have not been included, and it seems that the funding for those

areas has finished — there will be no more. As you can imagine, there is quite a bit of anxiety around that at Mount Macedon, particularly among people with houses that are under the cloud line, where the temperature gets down to below zero in the winter months. It is very cold there, and so there is a high usage of gas. The community is particularly anxious because the rollout did not include Mount Macedon. We are currently installing sewerage pipes and the trenches could have been used to accommodate a gas pipeline as well. There could have been some synergy there.

Many of the excuses used for not doing that related to interference with native vegetation. I can tell members that a whole lot of native vegetation has been interfered with as a result of the sewerage program. I am hoping that will be restored. There could have been some synergy between the authorities involved to assist the community. I will be raising this at another level as time goes by on the basis that the extension of natural gas to Mount Macedon is something that really needs to happen for the community there.

I believe there has been a rollout of gas in other areas, and I would like to highlight Portarlington in particular. Portarlington is a great area and one that I also know quite well. It was given priority on the rollout. If you are talking about economies of scale and the volume of gas that would be used to make a rollout viable for a provider, I would have thought that the Macedon Ranges would have been right up there as a large user of natural gas. If we are fair dinkum about looking after our planet and protecting our timber from uses such as the burning of firewood, then surely looking at that would have been a priority. This is not just an issue for Mount Macedon — —

Business interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

Taxation: levels

Mr RICH-PHILLIPS (South Eastern Metropolitan) — My question is to the Treasurer. I refer to the annual financial report, and I ask: can the Treasurer confirm that state taxes in Victoria as a share of gross state product were higher than the national average for six of the last eight years, including the year 2007–08?

Mr LENDERS (Treasurer) — I thank Mr Rich-Phillips for his ongoing interest and particularly for the question he raises on state taxation levels in Victoria. There are a number of ways you can

measure taxation levels, and there are statistics that are used. Victoria certainly has lower taxes than New South Wales, depending on how you measure them. According to one measure we might have taxes above the national level; according to other measures we have them below.

I will be brief in my answer, because I am sure Mr Rich-Phillips, being a member of the Public Accounts and Estimates Committee, understands this very clearly. Firstly, you can measure taxes per capita or you can measure taxes as a percentage of gross state product — there are different ways of measuring or defining taxes. I am Treasurer of the state of Victoria, and if the state of Victoria received the revenue that the state of Queensland receives per person out of royalties we could get rid of payroll tax or stamp duty. To paint a picture of that, in the state of Victoria we receive approximately \$43 million a year in royalties; the state of Queensland, two-thirds our size, receives more than \$3 billion; in Victoria we receive approximately \$8 a head from royalties from minerals and in the state of Queensland they receive approximately \$900 per person for those royalties. That would be if you simply applied it from one area to another.

What I say to Mr Rich-Phillips is that you have to match apples with apples. What we do in the annual financial report is use the Australian Bureau of Statistics measure of these things. We use the government financial statistics to measure them. Mr Rich-Phillips will know we are a lower taxing than the state of New South Wales, the largest economy. What Mr Rich-Phillips also knows is that, if we got a fair share of GST and specific purpose payments revenue, we would be \$1.4 billion better off than we are at the moment.

I welcome Mr Rich-Phillips's supplementary question and I welcome some bipartisan support in getting a fair share of taxation for Victoria so we can deliver the important things to make this state an even better place to live, work and raise a family.

Supplementary question

Mr RICH-PHILLIPS (South Eastern Metropolitan) — The Treasurer can be assured of this house's bipartisan support on that, but I expect that as the years go on we will hear in due course that the problem is Colin Barnett rather than Peter Costello. My supplementary question to the Treasurer is: in view of the slowing of the Victorian economy, is the government now considering reducing state taxes in a midyear update?

Mr LENDERS (Treasurer) — This government has reduced taxes on numerous occasions —

Mr P. Davis — You always take more.

Mr LENDERS — Mr Davis says we always take more. One of the last measures introduced by the Kennett government increased land tax from 3 per cent to 5 per cent. This government has cut land tax on four occasions so that at the top level it is now 2.25 per cent rather than 5 per cent. This government inherited a payroll tax rate of 5.75 per cent; we have reduced it to 4.95 per cent. This government inherited a scale of stamp duty rates. This year in the budget we increased the threshold for every single rate of stamp duty by 10 per cent, plus we gave extra cuts to first home buyers and direct grants to first home buyers. This government inherited a WorkCover scheme that was so deeply in the red that it is probably where the name Red Sea came from! We inherited a WorkCover scheme so deep in red ink that we had to swim our way out of it. Now it is in the black, it is treating injured workers more fairly and for the last five years it has actually had cuts in premiums.

So I am happy to have a discussion with Mr Rich-Phillips and the opposition at any time about how we deal with taxes, how these issues are going, but I am not about to get up in the house today and speculate on where we are going into the future on any of these matters. There are serious global economic pressures that this government is working on with the commonwealth and international governments in seeking to deal with them. We are working with the private sector; we are working across the board to get a holistic solution to this. There are a lot of options but I am not going to rule any of them in or out here today.

Schools: Gippsland

Mr SCHEFFER (Eastern Victoria) — My question is also for the Treasurer. I refer the Treasurer to the Brumby government's ongoing commitment to making Gippsland, and Victoria, the best place to live, work and raise a family, and I ask: can the Treasurer detail for the house how the government's investment in education in the Gippsland region is an example of the government delivering on that commitment?

Mr LENDERS (Treasurer) — I thank Mr Scheffer for his question. I find it quite extraordinary that when Mr Scheffer espouses the thoroughly positive aspiration of the government to make Gippsland a better place to live, work and raise a family, the opposition has an issue with aspiring to make Gippsland a better place to live, work and raise a family. I am incredulous. I will

answer Mr Scheffer's question, but I say unashamedly that I think it is very un-Victorian for anyone not to want Gippsland to be a better place to live, to work or to raise a family.

Mr Scheffer asked a question about how to make this place a better place to live, work and raise a family and what the government is doing in investing in schools. For several reasons I am absolutely delighted that this government is investing heavily in schools in Gippsland. The first and foremost is that it gives young Gippslanders a better opportunity to go forward in the 21st century — giving them the skills to get jobs and go forward in the 21st century is a very important aspiration. Secondly, it is a strong affirmation to Gippsland communities — building more schools and improving school facilities in Gippsland makes great community hubs. Thirdly, it is a great source of employment for teachers and school staff. It is also a great source of employment for the construction industry. At a time of global economic slowdown, to have this investment in schools in Gippsland is fantastic.

What we have done with the Better Schools Today program since we have been in government has been interesting. We have a blueprint for education which sets much more stringent goals for where we go forward, and there is a massive investment in Gippsland. It is a stringent investment.

Mrs Peulich — Rubbish!

Mr LENDERS — Mrs Peulich says, 'Rubbish'. I suggest she read the education blueprint; she might learn something.

There is a strong investment in building schools in Gippsland. I told the house yesterday that as the Minister for Education I went to Toora a bit over a year and a half ago. That is a place where over 100 years ago an old mechanics institute building was dragged into the town on a dray to be the school. More than 100 years later governments of all political persuasions had let that old mechanics institute sit there with a bit of adhocery — there is a bit of fibreglass and a bit of a lean-to on it. We now have a custom-made school, which is a strong commitment to that community. But we have invested across the length and breadth of Gippsland. Whether it be funding for Longwarry Primary School, Poowong Consolidated School, Heyfield Primary School, Nyora Primary School, Stratford Primary School or Loch Primary School, announced by the Minister for Education yesterday —

Mr Viney — Unlike the 21 they closed.

Mr LENDERS — I take up Mr Viney's point. This Labor government builds schools in Gippsland; the former government that we inherited the system from closed 21 schools in Gippsland.

Mr Hall — You are going to close three in Morwell.

Mr LENDERS — Mr Hall says we are going to close three in Morwell. If he wants to go to government business, notice of motion 6 on the notice paper, he will find a notice in the name of Mr Viney with a list of the 21 schools closed by the Kennett government of which he was a member.

Hon. J. M. Madden interjected.

The PRESIDENT — Order! Minister Madden!

Mr LENDERS — This government is about investing in schools for the reasons I gave. Firstly, it gives young Gippslanders a much better opportunity into the future. Secondly, it improves the skills of the state. Thirdly, it creates jobs for teachers and the construction industry. Fourthly, and importantly, it provides hubs in communities across Gippsland. This is an important part of making this state an even better place to live, work and raise a family.

Major projects: public-private partnerships

Mr D. DAVIS (Southern Metropolitan) — My question is for the Treasurer. Given the government's recent spectacular failure to successfully attract robust private partners in significant developments such as the St Kilda triangle development and the Epping wholesale market development, I ask: has the Treasurer received any briefings on the impact of the financial crisis on the government's Partnerships Victoria program, and if so, will he inform the house of the results of those briefings and whether they enable him to provide an assurance to the house that the desalination project will in fact proceed as planned as a public-private partnership?

Mr LENDERS (Treasurer) — I thank Mr David Davis for his question and his ongoing interest. He raised a couple of issues. Firstly, he raised the issue of finding public-private sector partners to assist us in going forward on projects. This government has been innovative in getting private sector partnerships in place. As we have with the children's hospital and the women's hospital, we are constructing major hospitals in partnership where we get people coming forward. What we have seen from the point of view of the taxpayer is that we have had savings of 6 per cent, 7 per cent or 8 per cent on these projects, which means we can invest in places like Gippsland and in new projects.

Secondly, we allocate money for these projects going forward, so if we do not find a private sector partner that money is available for a traditional government sector bid. Yesterday Mr Davis raised the issue of the Melbourne Wholesale Markets. Of course if he goes to page 61 of the budget papers tabled yesterday, in the public sector asset investment program he will see that the money is allocated for that project whichever way it is built.

The underpinning of Mr Davis's question is: will we get investment in these major projects, and will it have an impact on delivering services in Victoria? As everybody in this chamber knows, we are going through a global economic slowdown. As everybody in this chamber knows, the world is going through difficult economic times. I guess the judgement the Victorian community will make on where we go on this will be based on how this state is positioned versus the others and how we respond to these issues. We have a very strong construction pipeline in this state which will deliver services and jobs going into the future. Speaking of pipelines and using as an example the Sugarloaf pipeline, it is a piece of infrastructure — —

Honourable members interjecting.

Mr LENDERS — Those opposite laugh. It is a piece of infrastructure that will move water around Victoria for the long-term benefit of this state. It is a piece of infrastructure that builds on the long term and creates jobs along its entire length.

Mr Drum interjected.

Mr LENDERS — Mr Drum says, 'Creative accounting'. More than a thousand people in his electorate, in these times of global economic downturn, will have a job because of this government's investment in infrastructure. I say to Mr Drum and anyone else who questions this that before they mock the project and talk it down they should look in the eye the working families in their electorates who will get a job out of this infrastructure project.

I say to Mr Davis that this state is better equipped long term than any other state in Australia because of the investment that has gone forward to date. It is equipped with skills; it is equipped with infrastructure. We will go forward in these difficult global times — —

Mr D. Davis — On a point of order, President, the question was very specifically about the desalination project and whether in fact it would proceed as a public-private partnership. The Treasurer has been talking for some minutes and has not yet mentioned that specific project.

The PRESIDENT — Order! As the Leader of the Opposition well knows, that is not a point of order.

Mr LENDERS — President, I have concluded my answer.

Supplementary question

Mr D. DAVIS (Southern Metropolitan) — Given the Treasurer's answer, is the Treasurer aware of any other projects under Partnerships Victoria where contracts may not be successfully secured?

Mr LENDERS (Treasurer) — Mr David Davis asks whether there are any other contracts out there.

Mr D. Davis — Are you aware, is what I asked.

Mr LENDERS — Mr Davis asked a question, and I thought the convention of the Parliament was that the person who asks a question lets somebody else answer it. If he seeks to ask the question and answer it, he had an opportunity to do so in a 90-second statement this morning.

President, I should not have to explain this to David Davis through you or to the house, but commercial projects are just that. Governments either request expressions of interest or there is a registration of interest. We go through contractual stages. There are always negotiations between government and private sector providers. That is what commerce is about. This is not the Soviet Union in the 1960s with a five-year plan. This is a modern, vibrant market economy where people actually contract. I am sure David Davis is not the last known person on the planet who wishes that the USSR would be formed again. We have a commercial economy. In that environment governments put out good work, you have good economies and the private sector responds. In this time of global economic downturn, of difficult conditions — —

Mrs Peulich — Oh, yeah!

Mr LENDERS — Mrs Peulich says, 'Oh, yeah'. The issue we have — —

Mrs Peulich — Do something about it!

Mr LENDERS — She says, 'Do something'. At a time when confidence is the issue, and when the President of the United States of America, the President of the European Union and the leaders of every G20 country on this planet are focused on managing confidence, it is a tad disappointing that the Leader of the Opposition in the Victorian upper house sitting in Lakes Entrance is being the anarchist in the crowd at

the cinema calling out 'Fire!' and trying to talk down confidence.

What I say to David Davis is that he should follow the lead of his federal leader, Mr Turnbull, and get behind governments that are seeking to restore confidence. We do it by talking sensibly; by engaging stakeholders; by trying to get business and consumers to invest in this state; and by being part of a global response to difficult times. Talking down the state, raising questions and putting people in fear of their jobs do not add to confidence.

Mr Dalla-Riva interjected.

Mr LENDERS — Mr Dalla-Riva says it is our job to be an economic anarchist. It is the job of every leader in this community, whether they be in Parliament, in local government, in the business community, in the welfare sector or anywhere, to assist in getting this community through global turbulence. I do not welcome questions that try to talk down the state, and I say to Mr Davis that he should get behind Mr Turnbull, back the program and get some confidence and construction into the state to create jobs for Gippsland and for the rest of Victoria.

Drought: government assistance

Mr VINEY (Eastern Victoria) — My question is to the Minister for Environment and Climate Change. Like my colleague Mr Scheffer I also refer the minister to the Brumby Labor government's ongoing commitment to making Gippsland, and Victoria, the best place to live, work and raise a family.

Mr D. Davis interjected.

The PRESIDENT — Order! Mr Davis is frightening the children!

Mr VINEY — Thank you very much, President, but he does not frighten me. I ask: will the minister outline to the house how the Brumby government is creating jobs and maintaining our natural assets during this drought?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Mr Viney for his question and for the opportunity to talk about the important support being provided by our government to this region and to other parts of the Victorian community at times of drought, which actually permeates all parts of the Victorian community. I think it is very important to understand that our government recognises that members of this community have every right to feel supported at times of drought situations and the

prevailing incidence of climate change scenarios that may mean that the drought continues. Despite the fact that many people on the other side of the chamber live in complete denial of this issue, it is something we have consistently tried to respond to.

In fact in the last three years over \$400 million of drought relief support has been provided by our government, including the package that was announced earlier this week by the Premier of \$115 million to support drought-affected communities, to provide some relief to those communities to deal with their circumstances and to provide confidence, economic activity and certainty for farming communities right across the state. Consistent with our support, over \$205 million was allocated earlier in the year to support the Future Farming activities of farming communities right across the state. The \$115 million released earlier this week includes money for water rebate relief, money for council rebate relief, money for small town investment facilitation, money to try to make sure that families are supported through the provision of counselling and other forms of support if they feel stressed, and money for food relief and to deal with a range of circumstances families may find themselves in.

The area I have immediate and direct responsibility for is an outstanding program which has been run through the catchment management authorities and which provides employment opportunities for farmers to come off farms and with other members of the community to engage in very worthwhile activities to restore the productive capability of land within catchments and to improve the waterways within those catchments. While in the last program we ran we provided funding of the order of \$10 million — we have announced that again this year; that is the equivalent of 200 or 300 full-time jobs — what we see is that because people may come off farms for a short period of time we have generated something of the order of 1600 part-time jobs to support the incomes of families who undertake that important work. We think it is a very important thing to provide additional support for those families, but it is also important to see the great benefits that accrue through the increased viability of catchments such as the rich catchments in East Gippsland. Across the state we have seen the eradication of blackberries and willows taken out of waterways. We have also seen pests, weeds and rabbits dealt with.

An honourable member interjected.

Mr JENNINGS — Rabbits! It is run wherever you might find a pest — and sometimes you might find them in the chamber. However, the catchment management authorities are not responsible for pest

eradication here. The pests are in the natural environment. This is not a natural environment for members of Parliament, but we are doing our best.

Beyond that, there are stock containment and fencing activities in an attempt to reduce the pressures that are applying in natural environment. That has certainly happened here in East Gippsland and in West Gippsland. Across the state we have seen more than 82 000 trees planted and the capture of about 470 kilograms of indigenous seeds. I know that is something that you, President, would find quite interesting — the capturing of indigenous seeds to enable the replanting of native vegetation across our catchments. We have seen a significant and quite extraordinary amount of action undertaken for stock containment. We have seen 549 projects which have involved putting in fences to contain stock in an area of over 92 000 hectares in Victoria, and 181 of those projects alone in an area of more than 27 000 hectares were undertaken in East Gippsland. They have been a very important priority for the catchment management authorities in East Gippsland and they have made a significant contribution to improving the quality and productive capacity of Victorian land right here.

I thank the East Gippsland Catchment Management Authority and the West Gippsland Catchment Management Authority for the outstanding work they have done at a time of stress, a time of drought and a time of ongoing climate change circumstances by providing useful work to farming families and individuals in this community. They will continue to do that through the commitment of our government to support catchment management authorities to provide drought relief programs, and \$10 million was announced as an essential part of the program this week.

Melbourne Markets: relocation

Mr P. DAVIS (Eastern Victoria) — I direct my question without notice to the Treasurer. Given that the site of the Melbourne Wholesale Markets in Footscray is to be acquired for port expansion, that a relocation of the markets was planned and that the Melbourne Wholesale Fish Market site is to be acquired by VicTrack, is the government acting to include the Melbourne Wholesale Fish Market relocation as part of the Melbourne Markets' move to Epping if and when that relocation in fact occurs?

Mr LENDERS (Treasurer) — I thank Mr Philip Davis for his question and his ongoing interest in the wholesale markets. We had a debate in this chamber yesterday about the future of fish markets and where

this was all going forward into the future, and Mr Hall told us — and he got a good run on WIN TV — about how we all should buy fish and chips. Unfortunately there were bigger issues than where we should buy the fish and chips, although Mr Hall did very eloquently deliver his line on WIN TV.

The issue Mr Davis raised is where the fish market fits into the wholesale markets in Melbourne at the proposed site at Epping. As Mr Davis knows from the debate in question time yesterday — and it is a good question in question time — those issues were discussed in this house in great detail yesterday, the history of this and where it all fits into place. I am sure avid readers of *Hansard* will voraciously absorb that — before *Hansard* becomes a fish-and-chip wrapper, I would imagine.

These are commercial issues that are being negotiated. We had a discussion yesterday on that market. These are complex commercial issues that are negotiated by the government in its joint venture model, which obviously is done completely in accord with the users of the market as a way forward at Epping. I am not going to intercede any further in this matter and speculate on commercial discussions being had between my colleague the Minister for Agriculture and the joint venturers or some of the bodies and Victoria Fresh Markets, which is obviously part of that joint venture with Mirvac, which we have read about in the *Age* this morning. I am not going to enter into a running commentary on where commercial negotiations are going. They are commercial negotiations between parties and they are being managed from the government —

Mrs Peulich interjected.

Mr LENDERS — Mrs Peulich says this is just a cop-out for not answering the question. I would have thought Mrs Peulich, coming from the Liberal Party which preaches probity at this government all the time, would actually understand that commercial negotiations need to be done at arms length, and if Mrs Peulich is proposing that ministers start negotiating contracts on behalf of —

Mrs Peulich interjected.

Mr LENDERS — Mrs Peulich is offering me advice on answering the question. If the suggestion is that I as a minister should start negotiating contracts one on one with individual companies because the opposition asks me to do it, I would say that would be the most extraordinary way for commercial negotiations to be done. At question time ministers are

to respond to questions and are expected to answer them. These are commercial negotiations being conducted through my colleague the Minister for Agriculture's department. We are committed to a wholesale market. The money is in there. I mentioned in an earlier question that it is forwarded, it is allocated — the money is there for the markets. I am sure Mr Davis will ask a question designed again to be ever so helpful, and I cannot wait for his question. But what I will say to the house is that we are committed to the markets, we have put the money forward for the markets, and now we are appropriately negotiating the outcome with other stakeholders.

Supplementary question

Mr P. DAVIS (Eastern Victoria) — I am surprised by the Treasurer's obvious discomfort with a question which was in fact about the wholesale fish market. I ask, therefore: will the government work with the City of Melbourne, the wholesale fish market, traders and the Victorian fishing industry to maintain a central fish market, initially at its present Footscray site, and subsequently at a location that accords with the views of the fish market stallholders?

Mr LENDERS (Treasurer) — Two things, President. If Mr Philip Davis thinks I do not enjoy question time, he does not know me well. As he well knows and the house well knows, this Labor government has Parliament meeting 50 days or more a year. We meet everywhere — in Melbourne, Lakes Entrance, Churchill, wherever it goes. We are not afraid of question time. All I say is, 'Bring on question time; I enjoy it'. If there is any discomfort I have in this place, it is that this government is clearly more open, transparent and accountable than any government in the history of this state. We have given the Auditor-General and the Ombudsman powers they never had before. The only discomfort I have is that in our willingness to be open, transparent and accountable we also need to balance that with the commercial realities that I mentioned to the house before in response to Mr Davis's substantive question and Mrs Peulich's interjections. We will work with all stakeholders to get the best outcome possible for Victorian taxpayers as a whole, for Victorian consumers and for the stakeholders involved.

Ports: government initiatives

Ms MIKAKOS (Northern Metropolitan) — My question is to the Minister for Environment and Climate Change. I refer the minister to the Brumby Labor government's ongoing commitment to make Gippsland, and Victoria, the best place to live, work

and raise a family, and I ask: can the minister inform the house how the government is delivering on that commitment by investing in important ports and recreational infrastructure to secure jobs?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Ms Mikakos for her question and I look forward to the opportunity, when question time is over, to get out and have a look at some of the things that I am about to talk about. I congratulate the children on the wisdom of getting out into the natural environment of Lakes Entrance to enjoy themselves, because this is a beautiful port location. The Brumby government is very mindful not only of the fantastic contribution that ports make to the quality of life for our citizens in terms of getting access to waterways and trying to make sure, whether it be for commercial reasons or recreational purposes, that people have access to the water in a safe, timely and appropriate fashion, but we also understand the significant economic benefits that can derive from our ports across Victoria. Victoria is well blessed with a range of ports right along our coast, including 13 ports that are relatively small and perhaps sometimes forgotten but nonetheless are very significant to local communities. Those 13 ports generate something of the order of \$546 million worth of economic activity and contribute to the economic wellbeing of communities right along the coast.

Certainly that is the case in Lakes Entrance. I am a beneficiary of the great fishing industry and members of this chamber are great beneficiaries of the fishing industry, because in a good year about 9000 tonnes of fish comes through this port and ends up being consumed by our citizens across the state. We should all be pretty grateful for that, and that is a significant — —

An honourable member interjected.

Mr JENNINGS — No, I eat fish. I put my hand up for fish and I am very happy to be one of those fish consumers from across the state of Victoria. We can be very grateful that 40 per cent of our fish catch comes from this region. This port is extremely important to the local community, and we recognise that in a variety of ways. Members of this chamber would be aware that I have talked before about the significant commitment of our government. Over \$31 million has been allocated to make sure that we do not have the build-up of sand preventing access by the fishing fleet or preventing other people in this community from accessing the ocean. It is very important for us to make sure that those measures needed to keep the channel open are undertaken. We are continually vigilant about trying to make sure that we keep the port open.

During the course of this visit, on behalf of the government I am very happy to indicate that we have seen the wisdom of continuing the investment, so this week we are allocating \$3.98 million worth of investments for a number of port locations throughout the region to support ongoing access to waterways. A significant investment in Lakes Entrance is part of that announcement. Specifically, \$1.32 million has been allocated out of the Regional Infrastructure Development Fund through the prism of the Moving Forward package to support regional communities.

This week there will be a continuation of the work that has been undertaken in the eastern boat harbour. Stage 2 will be funded through this proposal, including the entrance to the east wharf. Significant works will be undertaken at Bullock Island and at Rigby Island and a rock groyne will be funded through this announcement today. For those of you who want relatively modest but nonetheless important investments, there will be some works undertaken to the Post Office Jetty as well. Members should try to go down and see the before and after situation. The children will be well versed on what the situation is before we make those investments and the works to be undertaken in the next year. We look forward to the success of those works because we understand how important the jetty is for this community. This community is not alone. Just down the road at Paynesville there is a significant undertaking, and \$535 000 will be allocated to investments there.

We understand that people want to get access to the waterways in Paynesville where we have seen significant recreational and accommodation opportunities. A lot of employment is coming out of the marine sector in Paynesville, and we want to make sure that is supported. To continue the projects we have funded under the flood relief program and to support the Hollands Landing community, \$428 000 will be allocated. A further \$150 000 will be spread between the proposal for slipways at Metung and Mallacoota to make sure there is some access to waterways in those communities.

We understand that there are significant lifestyle issues in relation to making sure that people have recreational opportunities. We want to attract tourism, we know there are people who want to get onto the waterway in a safe and timely fashion, and we certainly understand the need for jobs and the importance of maintaining infrastructure to make sure that we have commercial activities in this region. These things are vital to the wellbeing of this community, and the Brumby government is committed to continuing its effort to support that now and into the future. The

announcement today of \$3.98 million in funding will support those communities and support important infrastructure along our coasts.

Gaming: Community Support Fund

Mr O'DONOHUE (Eastern Victoria) — My question without notice is to the Minister for Planning, who is representing the Minister for Community Development in the Assembly. The house heard from the mayor of the East Gippsland shire yesterday morning that incomes in Gippsland are substantially lower than the national average. Given that poker machine losses in the eastern part of Gippsland last year exceeded \$43 million and contributed to the Community Support Fund, can the minister explain to the house why East Gippsland and Wellington shires combined received only a paltry \$200 000 in Community Support Fund grants?

Hon. J. M. MADDEN (Minister for Planning) — I welcome Mr O'Donohue's question. Following the protocols of this house, I do not seek to answer on behalf of ministers in the other chamber, but I am happy to take that question on notice and have an answer provided to Mr O'Donohue directly from the Minister for Community Development.

Can I say in that context that the best way to support people in any community is to provide jobs, and that is one of the great themes of the Labor government — jobs, jobs, and more jobs. I can hear members of the opposition saying, 'What about more jobs?'. The employment figures came out today — and I notice we have not had many questions from the opposition in relation to jobs; we have had none about jobs in Gippsland. I would have thought that if opposition members were really committed to the prosperity of this region the first thing they would be asking about would be jobs. But of course we do not have any optimistic questions or optimism from — —

Mr Barber — On a point of order, President, the question had nothing to do with jobs. My point of order relates to relevance.

The PRESIDENT — Order! There is no point of order. I remind the house that there is such a thing as raising a frivolous point of order. Believe me, I know that from personal experience.

Hon. J. M. MADDEN — It just goes to show that not only is the Liberal and Nationals coalition in opposition not interested in jobs, but the Greens do not seem to be interested in jobs either. You would have thought — —

Mr Drum — On a point of order — —

The PRESIDENT — Order! Before I get to Mr Drum, I remind the minister about overt criticism. The minister is on the borderline of overtly criticising the opposition, and I ask him to be conscious of my previous rulings on that matter.

Mr Drum — Thank you, President, but you already addressed my point of order. I only question whether the actual border may have been crossed.

The PRESIDENT — Order! I thank Mr Drum for his assistance.

Hon. J. M. MADDEN — As I was saying, the best way you can provide for a local community is to provide jobs. I know the good news coming out of today's employment statistics, in no doubt difficult international economic times, is the fact that there are of the order of 1000 more jobs in this region than there were when the last figures were reported. We have not had a question about employment, but I am pleased to highlight to Mr O'Donohue that the best support that can be provided for a community is jobs, jobs and more jobs. The Labor Party is doing that through the Brumby government. We will continue to support communities through the provision of jobs, particularly in the Gippsland region.

Supplementary question

Mr O'DONOHUE (Eastern Victoria) — I can guarantee the minister that the Liberal Party and The Nationals coalition is very keen to support jobs. In that context can the minister explain to the house why country shires are consistently underrepresented in the allocation of the Community Support Fund grants which help to protect jobs?

Hon. J. M. MADDEN (Minister for Planning) — I thank the member for his interest and for providing me with a supplementary question to talk about jobs, jobs and more jobs. The protocol of this house when questions are asked of a minister representing a minister in another chamber is that detailed information will be provided to the member who asked the question. I will seek to provide that information to the member through the relevant minister.

This is a government that stands on its record for supporting regional Victoria. In the time the Brumby and Bracks Labor governments have been in office the support for regional Victoria has been at an all-time high. Not only has it been at an all-time high, but it corresponds with an almost all-time low under the

Kennett government when it was in office. I reiterate that that was the Liberal-National government of the day.

We will continue to stay committed to all the regions, and Gippsland in particular, because we know what a fine and outstanding community it is. The opportunities provided here are more important than ever in the difficult economic times across the world. We stand by our word to support regional communities and to make all of Victoria a great place to live, work and raise family.

Planning: retail development

Mr THORNLEY (Southern Metropolitan) — My question is for the Minister for Planning, Mr Madden. I refer the minister to the Brumby Labor government's ongoing commitment to make Gippsland, and Victoria, the best place to live, work and raise a family and I ask: can the minister advise the house how the Brumby Labor government is ensuring that all Victorians can have their say on future planning policies guiding retail development in Victoria?

Hon. J. M. MADDEN (Minister for Planning) — I thank Mr Thornley for his question. It is great to see his interest in these matters, because I know when it comes to private enterprise Mr Thornley has not only a great interest in these matters but he has penultimate experience in this area. I appreciate his question. More specifically in terms of the retail industry in Victoria, it is no doubt one of the most important sectors of the Victorian community. It is important not only in terms of the jobs, economic activity and prosperity it generates, but also because it will provide jobs into the future. The formation of those retail outlets and the location of those outlets often determine the functioning of any urban, rural or regional environment. It has been a dozen years or more since we last saw a review of retail planning across Victoria. It is particularly important to provide indicators to the retail industry with more clarity and certainty around where retail development should go.

It is hard to imagine that we need more retail outlets. When we look at our lives it is clear they are full of stuff, so it is hard to imagine that we might need more retail outlets to purchase things. All you have to do is look at the opposition. There is plenty of opportunity for retail purchases, whether it is Mr Dalla-Riva buying a new vest, Mr Vogels buying a new tie, or Mr Drum buying a new suit. I do not believe Mrs Peulich needs any new lipstick, because I just saw her applying some in the chamber a few moments ago.

It is particularly important that we identify the demand and the need where the allocation of additional retail floor space across both metropolitan and regional Victoria should take place. I am informed that over the next few years, whilst it is hard to imagine, we will require 40 per cent more retail floor space than we currently have. That provides a tremendous opportunity for prosperity, but it also means that in needing more retail developments we have to be smarter about how they are located and the composition of those developments. Our population is continuing to grow and we are planning a system which is responsive to those future challenges, particularly in terms of retailing.

In those 12 years since we have had a major review of retail policy we have seen the retail sector change in some ways, which must be borne in mind. Whether it is those big-box retailers, or what are known as bulky goods centres that are often flourishing out there in the community, whether it is the outer-centre type arrangements that we see through the direct factory outlets or the likes of discount centres, or whether it is the convenience-type store and the location of where we purchase our food — not necessarily supermarkets but those other locations — these all need to be considered in the operation of activity centres, whether they should be in the centre, out of the centre or on the edge of the centre, so that we do not undermine some of the functioning.

Location is particularly important in regional areas, because often the heart and soul of any town in a regional centre is the main street. But if, as can be the case, some of these big retailers draw away from those centres, it can undermine the centres and the main street, thereby not only reducing the amenity of that particular town but shifting, in a sense, the focus and the sense of place of that particular community. It is important in providing the opportunity for those bigger retailers that seek to capitalise on the growth that they are located in a way that does justice to the smaller retailers in those main streets so that we also enhance and build on that sense of place.

I have had the good fortune to release the retail policy review discussion paper. That proposes a number of ways in which we might guide retail growth in conjunction with councils and industry and also ensure development in appropriate locations, refined by planning policies. It is out there for discussion. I encourage people from across the regions, and regional members on both sides of the chamber, if they feel strongly about these issues, to have input into the discussion paper. I encourage the opposition parties, if they feel strongly about these matters and if they have a

policy on these matters, to also contribute to the discussion paper.

It is important that we address the needs of the industry to do justice to communities now and into the future, and to continue right across Victoria, whether it is in the regions or in our suburban areas or in the centre of Melbourne, to make retailing of great commercial advantage to the community, so that we can make sure that Victoria is an even better place to live, work and raise a family.

Water: food bowl modernisation project

Mr BARBER (Northern Metropolitan) — My question is to the Minister for Planning. In the minister's published reasons for decision of December 2007 on matters to be assessed in relation to the Sugarloaf pipeline he made the following finding on the related food bowl modernisation project. He stated:

... the effects of changes to water management in the Goulburn River Basin as part of the latter project will be subject to separate environmental assessment requirements;

Given that some of the works in relation to the food bowl modernisation project are under way, when will we see the environmental assessment of that project and what assessment will be required?

Hon. J. M. MADDEN (Minister for Planning) — I am happy to have that question asked of me by Mr Barber. My announcement on the Sugarloaf interconnector pipeline was in terms of the reservation. It was not an announcement about where, specifically, the pipeline should go but about where the reservation corridor for the project should be. In determining that I allowed for a degree of flexibility in precisely where the pipeline may be located within the reservation.

It is worth bearing in mind that the advantage of that flexibility is that it provides the ability — in collaboration with land-holders or the relevant authorities in relation to vegetation, buildings, sheds and so on — to have some discussion, negotiation and adjustment of the pipeline through the corridor if it is warranted. It allows for land-holders who may have a shed or a roadway or some other issue they are interested in addressing in relation to the location of the pipeline to have discussions with the relevant authority about the placement of the pipeline. It allows for a degree of flexibility.

The other issue I suspect Mr Barber is particularly interested in is the environmental one. There are no doubt some sensitive environmental areas in the corridor, and this gives an opportunity for those who

are constructing and delivering the pipeline to work in conjunction with the relevant agencies to ensure that the placement of the pipeline throughout the corridor does justice to that environment and that if the land is interfered with, it can be repatriated immediately after the delivery of the pipeline.

There are fairly strict criteria in terms of my decision. I hope this assists Mr Barber in his understanding not only of the decision I made but of the qualification I added to it and the provision of relevant information to my department as the sections of the pipeline are delivered. The other component of my decision is that, given that there will be areas of higher sensitivity than others, the pipeline will be delivered in tranches. That will allow for different work to be done at various times so that the project can be rolled out as quickly as possible and the various components of the work and research that are necessary can be brought together as the project proceeds.

Supplementary question

Mr BARBER (Northern Metropolitan) — The minister seems to have misunderstood my question, which was not in relation to the pipeline but in relation to his determination at that time that the related project of the food bowl modernisation works — that is, lining channels and doing various things in that area — would be subject to a separate environmental assessment. By way of supplementary question I ask: has any proponent or relevant decision-maker who is responsible for the food bowl modernisation works, not the pipeline works, sought the minister's advice under section 8 of the act as to whether an environmental assessment may be required for the food bowl modernisation works, or alternatively will he as the minister under section 6 of the act call upon the State Owned Enterprise for Irrigation and Modernisation, if that is to be the proponent, to prepare an environment effects statement for the irrigation modernisation works that it is currently performing?

Hon. J. M. MADDEN (Minister for Planning) — I welcome Mr Barber's qualification to the initial question he asked, because it gives me an opportunity to reinforce that, whilst there has been an enormous amount of discussion by the opposition in relation to a pipeline to provide water, it is also worth recognising that there is an enormous amount of investment from this project and in this project in what is, in a sense, the repatriation of the irrigation system.

For those of us who have had the good fortune to visit many of these locations and to have seen the aged and decrepit state of the irrigation systems in operation, it is

incredibly surprising to see channels dug into paddocks that run for miles — sometimes not big channels — but to see no water in those channels where there might once have been water because it just dissipates into the ground.

Even more astounding is the size of some of the feeder channels. Some of those feeder channels are absolutely phenomenal. You would almost believe they were rivers, or creeks that had at some stage become rivers, but in fact they are channels.

Information about any qualification I have provided to my determinations in relation to that project, if it is warranted in relation to specific issues or specific elements of any of those works, will be provided no doubt either to me or to the department, or to me through the department, and will be considered accordingly. But I just say to Mr Barber that I think more the issue in relation to these channels is the fact that without that repatriation and without the assistance to refurbish these channels we would see a continued loss of water to the environment. It is worth noting that. We would also see water loss to the irrigators, because it would dissipate through the bottom of the channels or be lost through —

Honourable members interjecting.

Hon. J. M. MADDEN — What is more important is the fact that the water will be retained and used in various forms, particularly to assist irrigators, as well as being piped at various times for various reasons. We know that the investment we are seeing in this project — the enormous number of dollars being spent throughout those regions — does justice to the irrigators and to the irrigation system not only in terms of the infrastructure, because investment and expenditure in those regions is paramount. What is extraordinary is, given that this has been through an environmental process with a thorough assessment involving determinations and announcements around this and the commencement of the construction, we still have those on the other side of the chamber who would be prepared after all that investment, after all that effort, after all that security, to just turn that valve off for good. It seems phenomenal that given the process we have undertaken we know that the Liberal-Nationals coalition opposition would be prepared to turn that valve off — the investment, the impact and the benefits — for all time.

I remind the members of this chamber that we are doing what needs to be done in this state. We are continuing to make the necessary investment right across the regions,

and we will see the benefits not only in the immediate future but forever in the future in the state of Victoria.

Economy: performance

Mr TEE (Eastern Metropolitan) — My question is for the Treasurer. I refer the Treasurer to the Brumby Labor government's ongoing commitment to make Gippsland, and Victoria, the best place to live, work and raise a family. I ask: can the Treasurer update the house on what steps the Brumby Labor government has taken to maintain and secure Victoria's AAA credit rating in the face of the global economic downturn, and what are some of the challenges in maintaining that rating?

Mr LENDERS (Treasurer) — I thank Mr Tee for his question. Again I am stunned that 18 members of this house do not think making Gippsland a better place to live, work and raise a family is a good idea. I find that extraordinary. The opposition has trouble with that concept, which I thought was a parenthood concept if anything ever was. Mr Tee asked me what the government is doing to maintain the AAA rating and what the perils are in this current environment for a AAA rating.

Honourable members interjecting.

Mr LENDERS — Those opposite do not seem to think this is interesting, President.

The PRESIDENT — Order!

Mr LENDERS — This government has run a rigorous budget. In the good years we have invested well into skills and we have invested well into infrastructure for the future, and we have kept our books in the black to maintain the AAA credit rating, not because we are obsessed by the AAA credit rating but because of what it means to the jobs of everyday Victorians.

It is interesting to note that last week a prominent figure in Australia — the leader of a political party — said:

... a AAA credit rating is not the be-all and end-all ...

An honourable member — Who was that?

Mr LENDERS — I am asked who that was. That was Andrew Stoner, the Leader of The Nationals in New South Wales, the deputy leader of the NSW coalition, who said the AAA rating is not the be-all and end-all et cetera. To say that Mr Stoner has since then gone from a swan dive to a belly flop, like those opposite have gauged —

Honourable members interjecting.

The PRESIDENT — Order! Mr Finn is the last member I heard. When I ask the house to come to order, I expect it to do just that — not to continue on. The next one who does it gets launched to an early lunch.

Mr LENDERS — The importance of a AAA credit rating is not a matter of debate; it is something the Leader of The Nationals in New South Wales, as recently as last week —

Mr D. Davis — On a point of order, President, it may have escaped the Treasurer, but he is actually the Treasurer of Victoria, not of New South Wales. On a point of relevance, he needs to stick to the question about Gippsland and Victoria.

The PRESIDENT — Order! There is no point of order. Mr Davis is sorely tempting me.

Mr LENDERS — There are significant challenges in the job I have; I will not take up Mr Davis's opportunity for even more challenges. What I would say, though, is that the AAA rating is a serious issue. It is serious and we need support across the board for this because of what it would do if Victoria's AAA credit rating were to be downgraded to the next rating. In stable economic times, not the global uncertainty we have now, it would cost —

Mr D. Davis — Spare us the lecture.

Mr LENDERS — Mr Davis says, 'Spare us the lecture'.

The PRESIDENT — Order! I do not know whether Mr Davis wants me to do something about him, but I am more than happy to do it if he wants me to.

Mr LENDERS — On conservative estimates, in a stable market, let alone where we are now, it would cost the Victorian taxpayer more than \$88 million a year to lose this rating. That is more than the budget of the East Gippsland shire. That would buy us schools and hoppers for the lakes, so the need for this state to maintain the AAA rating is a serious issue. The disappointment is when members in this house irresponsibly call for expenditure that we cannot afford and tax cuts that we cannot afford, without any heed to the consequences — and there are consequences.

To illustrate what these consequences are and how irresponsible, reckless statements affect real people, yesterday Janet Yellen, the president of the San Francisco branch of the United States Federal Reserve,

said that the USA was moving into recession. She made that comment yesterday. This was the president of the San Francisco branch of the US Fed — there are about 12 sub-branches of the Fed. Her statement on that was partly attributable to the Dow Jones going down more than 7 per cent yesterday — partly attributable; as far as anyone can attribute anything. My point here is that members need to be particularly careful about talking down the state, because there are consequences that flow through to real jobs for real Victorians.

I will conclude on that. We need people to do more when making comments than rely on watching an episode of *Deal or No Deal* or *Wheel of Fortune* — which I suspect some opposite look at to get their advice. People need to focus a bit more on how responsible they are in making their comments.

I close this last question of the regional sitting by echoing the comments of my colleague Mr Madden. Yesterday, when we were referring to talking up the state and talking down the state, we had questions about jobs — it was all about a glass half empty. Today when the Australian Bureau of Statistics data shows that regional employment for this month in this great region of Gippsland has gone up by 1000, which is good news — these figures bounce around, but we have a strong, good news story for Gippsland families — we do not hear 'Boo'. Yesterday it was all doom and gloom on speculations. If we are going to make this state a better place to live, work and raise a family, all of us need to put our shoulders to the wheel to support business and families in this region and the state to go forward. We do not want to be the Janet Yellens of this world. We want to be people who are builders, not wreckers.

Sitting suspended 1.06 p.m. until 2.32 p.m.

ENERGY LEGISLATION AMENDMENT (RETAIL COMPETITION AND OTHER MATTERS) BILL

Second reading

Debate resumed.

Motion agreed to.

Read second time; by leave, proceeded to third reading.

Third reading

Motion agreed to.

Read third time.

**MAJOR CRIME (INVESTIGATIVE
POWERS) AND OTHER ACTS
AMENDMENT BILL**

**Debate resumed from 9 October; motion of
Mr LENDERS (Treasurer).**

Mr DALLA-RIVA (Eastern Metropolitan) — On behalf of the Liberal Party, I am very pleased to make a brief contribution on this bill, which came from the lower house, where initially it had been the Police, Major Crime and Whistleblowers Legislation Amendment Bill. I must put on record gratitude for the police minister and his officers for taking up the reasoned amendment that had been put to split the bill into two. That enabled the important part of the bill that needed to be pushed through to be debated. Those police who need to have the relevant appropriate power now can have it. As we know, the legislation as it currently stands means that police members working within the Office of Police Integrity (OPI) are not in a position to provide and give evidence against other, allegedly corrupt police officers.

When it was introduced in the other place the bill provided for that issue, which we agree with, but also dealt with other issues which, as we know, will be debated a bit further down the track in a different piece of legislation. I will not talk too much about that other than to say that, having spoken to the shadow police minister this morning, I understand there is an agreement to allow that piece of legislation to lie over for a period of time so that there can be a proper and informed public debate on it. In our view it extends quite substantially the powers afforded to the chief commissioner, but we will leave that for another day.

As to the bill that has come from the other place, I have looked at its derivation. There was agreement in the lower house to split off parts 8 to 11 of the bill introduced there to create the bill that is now before us, the Major Crime (Investigative Powers) and Other Acts Amendment Bill 2008. From what I have seen, those parts of the original bill appear word for word in the current bill. On that basis we clearly support this bill to ensure it proceeds quickly, is passed today and receives royal assent.

I will talk briefly about some of the bill's provisions. The main issue concerns the chief examiner being able to issue a warrant for the arrest of a person who is subject to a witness summons and who fails to produce a document in accordance with that summons. That is provided for under section 49 of the Major Crime (Investigative Powers) Act, the principal act, and is brought in part into clause 3 of the amending bill before

us. It also relates to section 50 of the principal act, which concerns no double jeopardy for contempt of the chief examiner or where an act or an omission is an offence both against this or another act. What it does is ensure that those provisions continue up until 1 January 2012 so that the government can undertake the additional work that is needed.

Part 3 is probably the more important part in that it inserts new sections 51A and 51B into the Police Integrity Act. New section 51A authorises the director or a member of the staff of the Office of Police Integrity to commence criminal proceedings against a person for an offence in relation to any matter arising out of an investigation, and subsection (2) of 51A says that the director may authorise in writing the exercise of powers by a member of staff. What this does is give clarity to the officers, give clarity to some issues that are a bit vague in the common-law sense and structure it more clearly so that the director is more aware of what needs to be done when commencing criminal proceedings against a person. New section 51B provides that level of surety in relation to the immunity of those officers who are working under the auspices of the OPI.

I note that clause 6 deals with the compellability of protected persons as witnesses. That is clearly as the result of some recent issues, and we support that as it stands. The rest of the clause covers consequential amendments here and there in respect of that. I do not intend to labour that too much. I support amendments to the Whistleblowers Protection Act relating to the new processes about the contempt of the director. Again, the bill is fairly straightforward in terms of what it lays out, in the sense that it is very structured and it makes sense for those reading it. Clause 14 in part 5 repeals the legislation at a certain date. It mirrors what was set out in part 11 of the original bill before it was split.

This is an important bill in the sense that we need to get it through because we need to ensure that any investigations of corrupt police may be undertaken in such a way that they do not damage the risk of prosecution. I always say, and I will say again, that from a former police officer's perspective I find it fascinating that the bill makes the assumption, as always, that it is only police who are involved in corrupt activities. We have always called for a broadbased independent crime commission in Victoria, and our view stands that there should be an authority that not only undertakes investigations of police but also investigates general activities more broadly. Having said that, it is an important bill and we wish it a speedy passage.

Ms PENNICUIK (Southern Metropolitan) — I will start by saying that I think it is good that this bill has been split from the larger bill, so what we have before us today is a bill that is mainly made up of technical amendments to existing acts of Parliament. The further bill, which will be considered later by this house, goes to amendments to the Police Regulation Act and proposed changes to police disciplinary procedures as well as liability for actions of police officers. The Greens and many groups in the community are concerned about those provisions in the other bill, and we have had many representations about those provisions.

The government has advised me briefly that the Scrutiny of Acts and Regulations Committee will be looking again at the other bill, the police bill. I am not clear what the committee is proposing to do with that bill and whether it will hold public hearings, receive submissions and so forth. Hopefully a government speaker can clarify this for the benefit of the house and the public. The debate on the provisions in the police bill that has also been split from the original bill will be important.

The bill we now have before us is really made up of technical amendments to the Major Crime (Investigative Powers) Act, the Police Integrity Act, the Police Regulations Act and the Whistleblowers Protection Act. As Mr Dalla-Riva said, the amendments to the Major Crime (Investigative Powers) Act basically go to the chief examiner being able to charge a person with contempt for refusing or failing to produce documents or answer a question or for engaging in conduct that would be in contempt of the Supreme Court. I understand this amendment is basically needed. Sections 49 and 50 of the major crime act would be sunseting on 1 January next year, so it is necessary to extend that for a period of three years to 1 January 2012.

I thank the department for the briefings it has provided me with and its offer of further briefings if I need more assistance, which is much appreciated. I must say they were comprehensive briefings as well. It was implied at the briefing that this particular clause had a sunset provision because its operation was to be reviewed. I asked if it was going to be reviewed, as it is being extended for three years, and if somebody would be watching it. However, it seems that is not the case and that it will be monitored in an everyday sort of way with no special monitoring of how the provisions are working. When we get to 1 January 2012 we might decide, without having any special review, that we will take away the sunset provision or it will be removed.

I hope there will be a more formal review of these provisions. All the acts we are talking about — the Major Crime (Investigative Powers) Act, the Police

Integrity Act, the Police Regulation Act and the Whistleblowers Protection Act — are very important. They involve looking at corruption and wrongdoing and how to go about addressing them in the public interest. There are very strong powers in some of those acts. I hope the government and the department will look at this formally and not just watch how it goes before the sunset provisions are removed. They have obviously been put there for a reason. A sunset provision is usually put in a clause because we want to see how it goes and because we may need to alter it. I just make the comment that perhaps a little bit more formality is required in this particular case.

The amendments to the Police Integrity Act and the Police Regulation Act are basically designed to provide the director, police integrity, or a member of the staff of the Office of Police Integrity with the power to commence criminal proceedings, which I understand they possess under common law, as does every citizen, as opposed to police officers or other officers such as Royal Society for the Prevention of Cruelty to Animals officers who have specific powers to commence proceedings. Maybe one of the government speakers could address this. I am not sure if this came out of something that was reported in the press a little while ago where one of the courts — it could have been the Supreme Court — noted that there seemed to be a gap in the legislation in that respect.

There is also the issue of protected persons. The amendment being made here is to clarify that protected persons under this bill, and therefore under the Police Integrity Act, are present or former officers of the OPI. During the long debate in the Parliament this year on the Police Integrity Bill I made the comment that protected persons have a lot of protection. The provisions for protected persons grant them immunity from being sued for actions done in good faith. They extend beyond the protections extended to normal citizens and even police officers. While I will not oppose this provision, I make the comment again that protected persons are a very special class of persons under the Police Integrity Act.

A further amendment to the Police Integrity Act provides that protected persons are competent witnesses who cannot be compelled to be witnesses but can be directed to be witnesses under certain circumstances. Again, I understand why people are protected persons, it is just that in the context in which we have great powers and great privileges being extended to certain classes of person, this needs to be watched very carefully.

In the debate on the Police Integrity Bill the Greens put forward a very sensible amendment that the director,

police integrity, as an officer of the Parliament, be answerable to a committee of the Parliament, as is the Auditor-General. Many learned persons in the community are also of the same view. There is a provision that protected persons are not compellable witnesses. To enable them to be witnesses requires the permission of the director, police integrity, who is himself a protected person and whose staff are protected people under this bill. There could be an issue there, and it is something that needs to be watched. I hope the special investigations monitor, whose role under the act is to report on the operation of the Police Integrity Act, will keep an eye on those sorts of issues.

The other amendment this bill makes is to the Whistleblowers Protection Act, which gives the director powers to investigate disclosures concerning the Chief Commissioner of Police or members of the police force. The Greens are very supportive of this, because obviously whistleblowers need protection, and we know the history of whistleblowers, not only in Australia but elsewhere, is that they often pay a very large personal and professional price for exposing wrongdoing. We are supportive of those provisions.

I also echo Mr Dalla-Riva's comments and take the opportunity to say that in August 2007 the Greens moved a motion in this Parliament that the Attorney-General refer the issue of the establishment of an independent commission against corruption to the Victorian Law Reform Commission. The law reform commission has done some good work in the past two years on very important issues that have come to this Parliament, and I am supportive of the law reform commission having a look at what would be an appropriate model. I have said many times in the Parliament that the government should be proactive on this issue, because independent commissions were set up in New South Wales, Queensland and Western Australia following large scandals and things that went wrong. I am not saying there is any large scandal brewing in Victoria, but it would be very naive for us to think that Victoria is somehow different from other states in Australia. It would be best for the government to be proactive and seize the reference that the Greens put forward, and to which this Council agreed, and send it off to the law reform commission so it can come back with a model for the Parliament to look at to establish an independent commission against corruption.

The Office of Police Integrity does not investigate unsworn police officers, and if there are corrupt police officers they are not just being corrupt amongst themselves. Who knows who they are involving — people from the public realm, ordinary citizens, public officials, members of Parliament or members of local

government. I would not want to think that was happening. The Office of Police Integrity has no remit to investigate those persons, so we need to move, as the other major jurisdictions in this country have done, to have police integrity officers as well as independent standing commissions, as well as an Auditor-General, as well as an Ombudsman. The Ombudsman, the director, police integrity, and the Office of Police Integrity cannot take the place of an independent commission against corruption, and I would urge the government to take that reference and run with it.

Mr TEE (Eastern Metropolitan) — This government has a very proud record of attacking organised crime and police corruption, root and branch. The government has developed an extensive arsenal of legislative powers to break the code of silence that often thwarted investigations into organised crime. These include strong coercive questioning powers and powers of search and seizure. We also have a chief commissioner who has extensive powers in relation to requiring police to undergo drug testing, and alcohol testing where it is appropriate, under the Police Integrity Act. We now have a stand-alone act to govern the Office of Police Integrity (OPI). I think it is clear, and everyone in this house would agree, that the government has been single-minded in its determination to support the police commissioner to make sure that our police are completely beyond reproach. But there is more to do, and this bill is part of that work. As has been mentioned, it is part of a much larger bill which will be dealt with by this house and which will give the police commissioner the powers she needs to effectively discipline police where that is required.

The bill we are now debating strengthens the existing powers in a number of significant ways. It extends the existing contempt provisions. Currently both the Major Crime (Investigative Powers) Act and the Whistleblowers Protection Act have contempt provisions, and these are really the teeth in the enforcement provisions. These are the teeth that require people to be held in contempt unless they give evidence and unless they provide documents. They are really important provisions. They are subject to sunset provisions, and as has been mentioned this bill extends those sunset provisions.

In her contribution Ms Pennicuik indicated that the extension is not an ongoing one; it is an extension for a further three years. That is important because these coercive powers are out of the ordinary. They are very powerful and unusual, and we should be careful about how they are used. Ms Pennicuik has asked, as I understand it, for the government to have a formal review of those powers. I am sure the government will

take on board Ms Pennicuik's request in relation to how any review is conducted, but it should be noted by the house that the review will be by the Parliament in one way or another. The whole point of having a sunset provision in the bill is that the strong contempt provisions will come back to this house and to the Assembly for review. This Parliament will have the ultimate say about whether in three years those contempt provisions are extended again.

There are amendments to the Police Integrity Act which give the staff of the Office of Police Integrity the express power to commence criminal proceedings. Currently an OPI officer who wants to commence criminal prosecutions either relies on the police or commences the prosecutions in their individual capacity. This bill will allow the OPI to commence proceedings, which will bring it into line with other legislation, including that which governs Royal Society for the Prevention of Cruelty to Animals officers, litter enforcement officers and registered medical practitioners under the Health Act. Again, this is a clear way in which we enhance the independence of the OPI by giving it the power to initiate its own proceedings.

There are then two changes to the definition of 'protected persons'. There is a broad definition of protected persons which includes the director, as Ms Pennicuik has indicated, the acting director, staff and contractors engaged by the OPI.

Obviously the OPI by its nature is often involved in very important, dangerous and sometimes secretive work as it investigates organised crime and corrupt police. I think it is clear that the bill seeks to protect their sources of information and their methods of operation so that that information does not fall into the wrong hands. This bill maintains that regime. It liberalises it in one sense in what the bill does in terms of protected persons. The bill says that protected persons can be called to give evidence, because clearly protected persons are in the business of gathering evidence and in order to inform the court and secure a conviction protected persons need to be able to give evidence. The act was always intended to be that way. This bill ensures that that intention in relation to protected persons is made explicit.

The other issue is that the protection for a protected person will extend to former protected persons. They are of course former employees or former contractors. The reason for that is that a lot of information that these protected persons have in relation to how the OPI operates, who the informants are and the evidence they have does not stop at the office door once you become a former protected person. It is appropriate that we

explicitly state the legislation that protected persons include former protected persons. That is a further amendment to this bill.

Ms Pennicuik noted that there is a capacity for the director to issue a certificate when it is in the public interest that a protected person be compelled to give evidence in court and expressed the concern that there might be something untoward in the director having the power to make that decision in relation to employees of the OPI. But, again, the legislative provision is that the OPI and the director have to act in the public interest. That of course is not necessarily in the interest of the OPI or the prosecution. Public interest is the interest of justice. There is a clear protection in the act for the interests of justice.

This bill has a number of clear outcomes which will, again, assist the powers of the OPI to deal with corruption. As I said at the start, the government and the community together have been on a journey to ensure that we have the tools to tackle organised crime and police corruption head on. More needs to be done to make sure we have the arsenal we need to tackle organised crime and police corruption and clear it from our society, root and branch. We know some will be confronted and challenged by some of the government's proposals. Recently I read in the *Police Association Journal* of October 2008 that the Police Association has indicated its opposition to some of the proposals the government has in mind. It says:

We are doing what we can to have the amendments stopped in the upper house ...

I think there is a clear challenge from the Police Association. I say to those members opposite that we know that the Police Association will be knocking on the opposition's door. We know that it wants to dictate the opposition's policy position for the opposition on these issues. The association has made that clear. I say to the opposition that it really needs to stand up to the Police Association, to support the government and to support the police commissioner and the community. It should not kowtow to the Police Association and should join the government and the community to ensure the police commissioner has the powers she needs to discipline and expose corrupt police so they are not part of the police force.

Ms MIKAKOS (Northern Metropolitan) — I am very pleased to rise and speak in support of this bill. It is a very important bill. I think the Victorian community recognises the tough job performed by members of Victoria Police.

Recently, as members would be aware, we had Blue Ribbon Day across Victoria in which the community honours the sacrifices that police have made on the job. Over the years as a parliamentarian, as a previous Parliamentary Secretary for Justice, and currently as a member of the Parliament's Drugs and Crime Prevention Committee, I have had many dealings and discussions with members of Victoria Police. I recognise their professionalism and their commitment to making our community safer.

However, we also need to acknowledge that there are some police who do not share their colleagues' professionalism, and since 2004 this government has introduced a number of bills to respond to the issue of police corruption. I think it is good that we share a position across all parties and across the political spectrum of agreeing that we need to weed out the rotten apples and maintain our community's confidence in our police force.

One of the key measures introduced by this government was a dedicated director of police integrity. I have spoken on many occasions in this house about the impressive results that the director, police integrity, has already produced in terms of completed investigations and charges laid against members of Victoria Police. So I think we are seeing the results. I only took exception to one thing that Mr Dalla-Riva said, and that is that his party had had a longstanding view to introduce an independent commission against corruption-type body in Victoria. I take exception to that, because those of us who have been in the house for a while know that the Liberal Party's position has changed over the years. It initially called for a royal commission, then it called for a ICAC-type body — something like the Independent Commission Against Corruption — then it called for police auditors, so it has changed over the years. It has not been consistent about this. But I challenge Mr Dalla-Riva or other members of his party to point to the area in which the director, police integrity, does not have powers comparable to those of the New South Wales ICAC. In fact what we have done is put in place a body and powers that are extremely comprehensive and, in terms of police corruption, those powers are more than adequate, as has been demonstrated by the results which I alluded to in weeding out police corruption to date.

We make no bones about our commitment to community safety. Since being elected our government has boosted police numbers by an additional 1400 officers, and we have made a commitment that during this term of government we would provide a further 350 police. So far 100 of these have already been delivered, with a further 100 expected during this financial year. We have more police on our streets

providing a safer community. This is what the Victorian people elected us to do. We have also boosted police resources with a record budget of \$1.75 billion in 2007–08 and funded the construction and refurbishment of over 150 police stations across the state. That is of particular interest for regional Victorians, because more than three quarters of those police stations are located in regional Victoria.

In terms of this local community, or East Gippsland shire, we have rebuilt the Bairnsdale police station at a cost of \$10.3 million and the Bendoc, Bruthen, Buchan, Swifts Creek and Cann River police stations have received refurbishments at a combined cost of nearly \$2 million. This local community has benefited from that as well as from an increase of 11 per cent in police numbers, which has seen local crime rates fall by 13.2 per cent.

I do not propose to go through the bill in any detail, as on the government side Mr Tee has done that more than adequately. I indicate my strong support for this bill that builds upon a number of pieces of previous legislation which have sought to strengthen the powers and the role of the director of police integrity and to ensure that we have the ethical and professional police force that the Victorian people expect. I commend the bill to the house.

Motion agreed to.

Read second time; by leave, proceeded to third reading.

Third reading

The PRESIDENT — Order! I am of the opinion that the third reading of this bill requires to be passed by an absolute majority. I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The PRESIDENT — Order! The question is:

That the bill be now read a third time.

I am of the opinion that the third reading of this bill requires to be passed by an absolute majority. In order that I may determine whether the required majority has been obtained, I ask those members who are in favour of the question to stand where they are.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

LOCAL GOVERNMENT AMENDMENT (COUNCILLOR CONDUCT AND OTHER MATTERS) BILL

Second reading

**Debate resumed from 10 October; motion of
Hon. J. M. MADDEN (Minister for Planning).**

Mr HALL (Eastern Victoria) — This afternoon it is my duty to report the coalition view on the Local Government Amendment (Councillor Conduct and Other Matters) Bill. I might say in opening my commentary on this bill that this is an entirely appropriate piece of legislation to be debating here in the Shire of East Gippsland because, as I note from a couple of government members who have been in the position before, there has been some controversy in the local government area from time to time. I am sure local councils, particularly East Gippsland and Wellington shires, will find this bill of great interest.

I might add that part of that controversy extends to the facts mentioned yesterday by the mayor of East Gippsland, Cr Mendy Urie, when she welcomed the Parliament to East Gippsland and gave us an idea of the size and population of the East Gippsland shire. To repeat a couple of those figures, she said that 80 per cent of this shire was Crown land, and so it is. I think the total area of the shire is 21 800 square kilometres, of which 16 350 square kilometres is Crown land. That has left local councils across East Gippsland in the difficult position of having to fund infrastructure requirements for the region while having a vastly dispersed population base. Despite the extent of Crown land ownership by the state government in respect of this shire, the council does not receive any income from that Crown land in the form of rates or payment in lieu of rates, so its rates dollar is stretched across quite a vast region.

The formation of the Shire of East Gippsland was the result of bringing together Bairnsdale City Council, Bairnsdale shire, Tambo shire, which was based around Lakes Entrance, Orbost shire and Omeo shire. It may have included parts of Avon shire — I am not absolutely certain about that — but at least five of those councils have now been incorporated into the greater East Gippsland shire. That in itself provided some challenges for the elected government in this area. Over the years since the amalgamation of those five shires there have been local government issues arising here in East Gippsland which have been of public interest.

One of the legacies the shire inherited was a number of different shire offices, and when you have five shires

being amalgamated into one you are going to have five offices about which you are going to have to make some decisions on their use. One of those shire offices, which was the headquarters of the Shire of Tambo, is the building on the hill now occupied by the East Gippsland shire. Those of us who went there for a welcome drink with the local people will remember the great impression that site made on them, and the views that could be seen from it. That is now the service centre for the East Gippsland shire in Lakes Entrance, and it is a very valuable piece of real estate.

This is a substantial bill of some 94 clauses. It amends the Local Government Act 1989, the City of Melbourne Act 2001 and the Victorian Civil and Administrative Tribunal Act 1998. Part 2 of the bill deals with councillor allowances; part 3 deals with councillor conduct; part 4 deals with conflict-of-interest matters; part 5 contains a range of miscellaneous amendments; part 6 relates to amendments to the City of Melbourne Act; and part 7 goes to the issue of VCAT.

When I read this bill and looked at some of the provisions it contains I wondered what was in the minds of government members when they said it needed to be debated and passed this week because of the local government elections across Victoria which will occur at the end of November. Members would know that all 79 councils in Victoria face an election on 29 November. When I look through this bill I see no absolute need to pass this piece of legislation before 29 November. I can understand the government's desire to do so, but I do not see any absolute need. Consequently I am pleased with the agreement reached by all parties that there will be some contributions to this debate this afternoon and that the proposed amendments will be dealt with when Parliament resumes back in Spring Street. I strongly support that course of action, because I understand there will be amendments which have certainly not been discussed at a party level with other parties. We, the Liberal-Nationals coalition, would like the opportunity to examine those amendments before committing ourselves to them in this chamber. I am pleased with that proposed course of action, and we will be supportive of that course.

I want to look at a couple of different provisions. I said before that part 2 relates to councillor allowances. I also note that recently the government responded to the *Local Government (Councillor Remuneration Review) Panel Report*, including the recommendations made by that panel suggesting a substantial increase in councillor and mayoral allowances. The government has indicated that it will adopt those recommendations. While the bill itself is silent on exactly what those recommendations

are, powers are given to the minister to implement a range of allowances and payments to local government councillors and mayors. Separately the minister has said he will accept the recommendation of the panel.

I note that the government intends to stick to the three different levels of councils that are determined by population and geographic area — namely, category 1, category 2 and category 3 councils. The councillor payment for category 1 is a minimum of \$6500 and could go up to \$15 700; for category 2 councils the range is from \$8100 to \$19 600; and for category 3 councils it is \$9800 to \$23 500. Members of the Melbourne City Council, which is the only local government in Victoria that is constituted by its own separate act of Parliament, have a flat fee set at \$32 600. One could also describe it as a ‘fat fee’. The Lord Mayor of Melbourne will receive \$143 500 and the Deputy Lord Mayor of Melbourne will receive \$58 700. Some people would look at those figures and say they are substantial remuneration packages for councillors, and I think they are too. However, I agree with the government in providing a range of opportunities so that councils can themselves decide what is an appropriate level of remuneration. I suspect that in many country municipalities that will result in some public debate on whether the council can afford to pay its councillors and whether it is actually appropriate to pay them the set amount.

I will not go through all of the amendments. Part 3 of the bill concerns councillor conduct. It sets out a range of provisions in relation to the expectations of behaviour of councillors. I do not want to go through all of those individual provisions. I say only that many councils have a code of conduct in place now. If you look at the website of Shire of East Gippsland, you see there is actually a 48-page document on the conduct expected of the councillors in that region. Although people have responded positively to the requirement for a code of conduct to be developed in each local council area, many councils already have that in place, of which East Gippsland is but one.

There are some conflict-of-interest provisions in part 4 of the bill. They cover a wide range of areas. Conflicts of interest go to such issues as indirect interest by close association or financial interest, indirect interest because of conflicting duties and indirect interest because of receipt of an applicable gift. Conflict-of-interest provisions expected to be observed in local government are quite detailed and are clearly spelt out in a range of provisions under clause 21 of the bill.

I became aware yesterday while chatting with some councillors from neighbouring Wellington shire that

they have some concerns about new section 80A, which is in clause 24 of this bill. That provision requires notes to be kept of any ‘assembly of councillors’. In particular they have some concerns about new section 80A of the Local Government Act entitled ‘Requirements to be observed by an assembly of Councillors’, which states:

- (1) At an assembly of Councillors, the Chief Executive Officer must ensure that a written record is kept of —
 - (a) the names of all Councillors and members of Council staff attending;
 - (b) the matters considered ...

It goes on to say that any conflict-of-interest disclosures must also be noted. The provision also requires the keeping of those records for a period of four years after the date of the assembly.

As it was put to me by some councillors from Wellington Shire Council just yesterday, it will mean that if three or more councillors are assembled together for the purposes of discussing some form of council business, minutes of that meeting must be kept and they become public record documents. They have some concerns with that, particularly in relation to the extra paperwork and recordkeeping that will be required because of that provision. I will take those concerns on this issue back to the coalition spokesperson, my colleague the member for Shepparton in the other place, and see whether they are valid and how they might be addressed. That is the sort of thing we will be able to explore between now and when this chamber next meets in committee to discuss potential amendments.

A whole range of other miscellaneous amendments are contained within the bill — for example, provisions relating to the fact that councils may elect a mayor for a period of two years rather than one. Again that will be up to the council concerned, and it will be interesting to see how councillors will approach that.

There is also a requirement to give at least seven days public notice of meetings and a requirement to maintain a website and to publish local laws and public notices online. There will be an increase in the time allowed for public submissions on certain matters from 14 days to 28 days, and there are definitions, as I said before, of councillor misconduct, serious misconduct and gross misconduct. There is also the issue about councillors and conflicts of interest which I made comment about before. There are a whole range of amendments on different matters in part 5 of the bill. Part 6 of the bill makes amendments to the City of Melbourne Act, including amendments relating to remuneration.

That is broadly the view the coalition has taken on the bill. We can see some sense in the provisions provided within it. Some of them will be controversial, and that will be a matter for local councils to decide. The provisions contained in here, apart from the few issues I have raised, are worthy of our support. The Liberal and National parties will be supporting the provisions but looking forward to a committee stage where some of the issues I have encountered in the last two days and some of those to be raised by other members will be explored. We will be able to have a look at those and come to a decision in respect of them when the house next meets.

We will consider those matters in the future, and I look forward to hearing contributions from other members, but at this stage the Liberal and National parties will not be opposing the bill.

Mr SCHEFFER (Eastern Victoria) — I am speaking in support of the bill before us this afternoon. There are 79 local governments in Victoria. Local government is one of the three spheres of government in this state, and it performs an essential role in both representing citizens on matters that relate most closely to their neighbourhood and in local neighbourhood service delivery and the management of roads, lands and the environment.

I place on record my appreciation and respect for the work local governments do, and all of us, as state MPs, work very closely with a number of local governments. We all know that they work at a high level of efficiency and effectiveness. I also place on record my appreciation of the work local councillors do on behalf of their constituents. Local councillors never cease to impress me with the depth and breadth of their detailed local knowledge and the abundance of ideas they have on how their communities and local environments can be strengthened.

Yesterday members of the house heard an address from Cr Mendy Urie, the mayor of the Shire of East Gippsland, who presented members with an account of some of the big issues this shire is tackling.

In my role as a member for Eastern Victoria Region I have worked with councillors, the shire and the state government, especially during the recovery phases after the bushfires and floods of the past two years. Make no mistake about it, the contribution of councils and councillors, particularly in an area such as East Gippsland, is immense.

Since its election in 1999 the Victorian government has worked hard to strengthen local government and has

introduced major reforms to the Local Government Act, making a number of very significant changes — most notably, changes to the timing and conduct of elections and to requirements on the conduct of councillors.

This bill addresses itself to three issues: councillor conduct, councillor allowances and conflicts of interest. The government recognises that the community has high expectations about how councillors should behave and what should be done about councillors who misbehave. Councils themselves have also expressed concern that they have no way to deal effectively with an individual who does the wrong thing, and they understand perfectly well that misbehaviour undermines a council's ability to provide good local government.

In response to this the government is in this bill defining appropriate standards of conduct for councillors and establishing new mechanisms to address current expectations and concerns. These changes are informed by a few basic principles: that councillors should act with integrity; that they should impartially exercise their responsibilities in the interests of the local community; and that they should not improperly seek to confer an advantage or disadvantage on any person. A range of more detailed principles is set out in the bill. When you look at them together, they make the expectations on local councillors perfectly clear. These principles reflect standards that everyone expects of councillors and anyone in elected office. Under the provisions of the bill these principles must be included in each council's councillor code of conduct. This will be the reference point against which councillors will be measured if they are asked to answer charges of misconduct.

The bill provides for the establishment of councillor conduct panels, which will be independent arbiters of disputes between councillors and in cases where allegations of misconduct have been made. Applications for a councillor conduct panel to be established can only be made by a councillor or group of councillors, and the panel's role is specifically to assist councillors and councils. They will not be standing panels; they will be established on a case-by-case basis as the need arises. The panel will have two members: one of them, the chair, will be a person of legal experience and qualification, and the other will be a person who has experience in local government. The members of panels will be drawn from a list that will be kept by the Municipal Association of Victoria for that purpose.

A councillor conduct panel will have limited responsibilities. It will be able to hear allegations that a councillor has breached the council's own councillor

code of conduct. It will be able to discipline a councillor in limited ways. It can have a councillor undertake training or counselling or it can appeal to the Victorian Civil and Administrative Tribunal if it thinks the allegation of misconduct is of a serious nature. VCAT can take up an issue if the panel thinks the matter is serious enough or if the matter involves gross misconduct. The authority can impose corresponding penalties for these serious charges if the person is found guilty. The details of these penalties are set out in the bill, so I will not labour them this afternoon. The bill sets in place a graduated process whereby the local level tries to sort out the matter and then can escalate more serious issues to the more appropriate VCAT body.

The final matter I will touch on relates to councillor and mayoral allowances. The bill delivers on a state government decision that procedures should be put in place that can review and appropriately adjust allowances for local councillors. In short, the process set out in the bill requires the minister to review on an annual basis the allowance for remuneration that councillors receive and then make any appropriate adjustment.

The changes contained in this bill are supported by the Municipal Association of Victoria and the Victorian Local Governance Association. They have been consulted throughout this process and they understand that the provisions contained in this bill are sound and have integrity. I commend the bill to the house.

Debate adjourned on motion of Mr BARBER (Northern Metropolitan).

Debate adjourned until next day.

ADJOURNMENT

Mr LENDERS (Treasurer) — I move:

That the house do now adjourn.

Bushfires: preparedness

Mr KOCH (Western Victoria) — My matter is for the Minister for Police and Emergency Services in the other place and concerns the growing risk of severe bushfires across Victoria this coming summer. Victorians living in high fire danger areas, particularly in western Victoria, are facing a potential devastating bushfire threat.

Bushfire experts from the Bureau of Meteorology are warning that coastal regions, the Otway National Park, the Brisbane Ranges and the Enfield State Forest are at

an increased bushfire risk due to low spring rainfalls. Good rainfall earlier in the year has fuelled forest growth that is now starting to dry out, and while grasslands in southern areas are still green, a few hot days will see them turn dry very quickly. Extended drought conditions over the last decade with continually below average rainfalls have meant subsoils have not been replenished, causing early drying out of grasslands and forest floors. Areas along the coast from Torquay, where there is a lot of vegetation that has not been burnt for many years, are facing the potential of a major firestorm if Victoria experiences a continued dry spring and hot summer.

The Country Fire Authority expects the fire danger to be highest in these areas, but there is also concern for forest regions of western Victoria. Due to the dry conditions the CFA expects to introduce fire restrictions across western Victoria before mid-November this year. While planning and an element of good luck last summer prevented a repeat of the catastrophic wildfires of 2006, there is no room for complacency. The CFA is saying that drying fuel loads mean Victorians must now ready themselves by doing all they can to reduce the fire risk.

All the elements that led to the disastrous Ash Wednesday fires 25 years ago were in place last summer, and unless there is significant spring and summer rain, that threat will again increase rapidly as summer progresses. Last weekend the Bureau of Meteorology issued an extreme forest fire danger warning in the Mallee district, and the CFA advised people living in areas at risk of fire to activate their bushfire plan. The bureau is predicting warmer and drier than average conditions with above average maximum temperatures for most of Victoria. In the event that rampant wildfire again threatens those who have diligently made fire preparations, the government must demonstrate it is trying to remove its 'neighbour from hell' status. My request is for the minister to ensure fire prevention works have been completed on Crown reserves as a buffer to adjoining neighbours and protection for community and private assets near Crown land boundaries.

Housing: energy and water program

Mr SCHEFFER (Eastern Victoria) — My question is for the Minister for Environment and Climate Change, Gavin Jennings. Low-income households and tenants of rental properties face potentially large energy bills as they frequently live in older housing stock with poor energy and water efficiency. These households also potentially face increasing energy bills as energy costs rise. The federal government has committed that a proportion of revenue from the carbon pollution

reduction scheme will go to easing the burden on households. The Victorian government has also invested in household energy audits and retrofits for low-income households through the Energy and Water Task Force program. The program has retrofitted 4700 homes in 25 disadvantaged communities.

At the recent SB08 sustainable buildings conference the Brumby government also announced a \$2 million investment in the Climate Change Proofing Low Income Households program, which will build on Victoria's efforts to date to provide a lasting buffer from rising energy and water prices to low-income families and deliver real greenhouse reductions. The new program aims to reach 21 000 households in regional Victoria, abating some 18 000 tonnes of CO₂ emissions and saving \$2.8 million on household energy bills. The program will involve community organisations and local government working with residents in social housing to improve the energy efficiency of homes. It will also create green jobs in the community and encourage social enterprises with lasting benefits.

Victoria's household audit and retrofit skills and service base is growing. A number of organisations already provide these excellent services. Organisations such as Kildonan Child and Family Services provide energy audit and retrofit services to clients in financial hardship. Local government provides education and behaviour change services to the local communities. Some companies provide audit and retrofits and a commercial service to households that want to improve their energy efficiency. The commencement of the Victorian energy efficiency target scheme in early 2009, the commencement of the government's feed-in tariff and federal government programs will also drive further demand for these skills and services.

The action I seek is for the minister to consult with the various organisations doing excellent work in this area to ensure the Victorian government drives a coordinated approach to meeting the skills and service demand our new sustainability initiative will require.

Insurance: learner drivers

Mr ATKINSON (Eastern Metropolitan) — My item is for the Minister for Roads and Ports, who is responsible for VicRoads, and it concerns licensing regimes. I note that the government has moved to a new licensing regime for young drivers which puts a significant emphasis on driving practice and requires them to keep log books, have experience in driving in a range of conditions and have an extensive amount of time on the road — I think some 120 hours driving

experience is required. I applaud those initiatives. An important factor in developing maturity in young drivers is giving them experience in a greater range of circumstances that they might confront on the road and also providing an opportunity, obviously, to simply gain some hours under the belt before they end up driving by themselves.

One of the things that concerns me about this, however, is that it has been brought to my attention that a number of insurance companies are not prepared to extend insurance coverage to young learner drivers in circumstances where they are driving with a parent as part of getting up their hours. As well as that, some other insurance companies may put other impediments in the way of that process, which may well include some financial penalties to the insured driver who is taking out the youngster.

This is a most unfortunate situation. It is short-sighted on the part of the insurance companies, because better young drivers should translate to fewer claims against them in years to come, and I think the insurance companies have a role to play in the process. I believe there is a necessity for the government to protect the integrity of the regime it has brought in by talking with the Insurance Council of Australia and perhaps directly with some of the insurers to see whether they can be encouraged to support the scheme by not imposing financial penalties and by ensuring that an insurance product is available to parents who are involved in teaching learner drivers.

The specific action I request is that the minister initiate talks with the Insurance Council of Australia and quite possibly the leading insurers to make sure that the integrity of our new learner driver regime is maintained by insurance companies playing their part in maintaining insurance coverage for parents taking students out to learn to drive.

Rail: Melton–Bacchus Marsh line

Ms HARTLAND (Western Metropolitan) — My adjournment matter tonight is for the Minister for Public Transport. My office organised a highly successful community meeting on 18 September at Deer Park. The meeting gave concerned residents in the local community a chance to discuss the Eddington report and why the Melton–Bacchus Marsh railway line was not considered for electrification and duplication. There were about 70 people at the meeting and many of those who attended had actively campaigned on this issue, not just over years but over decades. They did not understand why Eddington did not recommend improved public

transport in the area and why the government has continued to neglect this important issue.

The Australian Bureau of Statistics website shows that between 2001 and 2006 there was a massive population growth in the western suburbs. Point Cook grew by 71 per cent and Caroline Springs by 38 per cent. The statistics clearly show the growing need for accessible and reliable public transport in those communities. I use the train regularly. Anyone who tries to board a train at peak hour will tell you it is critical that infrastructure be planned and provided in advance of a substantial growth in areas like Caroline Springs and Point Cook. You did not need a crystal ball to predict that public transport would be under ever-increasing stress in the western suburbs. The residents of housing estates in the western suburbs did not just appear overnight.

The Werribee line train, which has a peak hour service that is identical to the Sunday service — only three trains per hour — is dangerously overloaded, yet it is the closest rail option for residents of Point Cook. I am a long-time supporter of improving public transport, and I believe there is great value in consulting with the community on this important issue. The action I ask of the minister is that she organise community meetings in the Deer Park area to explain whether electrification and duplication of the Melton–Bacchus Marsh line is included in the government's plans; and if not, why not?

Timber industry: government strategy

Mr O'DONOHUE (Eastern Victoria) — The matter I raise this evening is for the attention of the Treasurer in his capacity as the minister responsible for VicForests. In March this year the Minister for Agriculture announced that he would develop a new timber industry strategy. On several occasions since that time, when questioned about concerns in regard to VicForests, the Treasurer has said that those concerns would be addressed through the timber industry strategy.

The timber industry in East Gippsland is facing uncertainty. At these times of economic uncertainty leadership is required from the government to encourage investment and provide job security. I am glad that the motion I moved yesterday was passed by the chamber, and I draw the attention of the Treasurer to paragraphs (3) and (4) of that motion:

... the state government has not honoured its 2006 election promise to the Gippsland timber industry through its Our Forests Our Future policy and the unnecessary delay in releasing its timber industry strategy;

... the government's inaction is risking jobs and investment in East Gippsland.

I call on the Treasurer, as the minister responsible for VicForests, to work with the Minister for Agriculture to ensure that the timber industry strategy is finalised and released as soon as possible. The specific request I have for the Treasurer is that he give me and the house a date when the strategy will be released. The government's dithering is risking jobs and investment here in East Gippsland and elsewhere in country Victoria.

Asbestos-related diseases: apology

Ms PENNICUIK (Southern Metropolitan) — My adjournment matter is for the Premier. Yesterday at the regional sitting of the Legislative Assembly in Churchill the Premier made a long-awaited apology to the thousands of people who have suffered from asbestos-related diseases after being exposed to asbestos while working at power plants built by the former State Electricity Commission of Victoria in the Latrobe Valley. I congratulate the government on making this apology, which is long overdue. The Victorian Trades Hall Council, unions, health professionals and support groups such as the Gippsland Asbestos Related Disease Support Group and the Asbestos Diseases Society of Victoria have fought for years for official recognition of this issue in the Latrobe Valley and for better access to treatment and compensation for those suffering from asbestos-related diseases. Successive governments have, to their shame, refused to do so.

I also congratulate the government on introducing the Asbestos Diseases Compensation Bill. I have not had the opportunity yet to examine the bill in detail, but I will say that Victoria has for too long lagged behind other states, which have designated dust diseases tribunals and far less onerous processes for those suffering asbestos-related diseases to receive compensation.

It has taken this government 10 years to introduce this legislation. As for protecting Victorians and their families in their homes, this government still does not have a website or any sort of information campaign devoted to informing householders of the dangers of asbestos in domestic and community buildings.

The Premier also said yesterday that he hoped the apology goes some way to bring closure and resolution for families who are suffering from asbestos-related diseases. I appreciate that the Premier is sincere in his apology; however, there is no closure on the asbestos issue — far from it. 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. That figure is rising and will not plateau out for at

least another five to seven years. This is the terrible legacy of the continued use of asbestos in Australia.

We are approaching the fifth anniversary of the introduction of a total ban on the use of asbestos in Australia on 31 December 2003, but this is not over yet. Victorians spend millions of dollars each year on do-it-yourself renovations, and most homeowners are unaware of the places asbestos was used in their houses. Almost a year ago I raised the issue of asbestos in the community and the need for the government to act decisively.

My request to the Premier is that he convene a task force that includes the health, housing, consumer affairs, local government, WorkSafe and small business ministers and relevant asbestos agencies, with a lead agency, possibly under the Department of Human Services, to administer the whole issue of domestic asbestos — that is, by subsidising audit, removal and disposal; licensing and training of auditors and assessors; maintenance of a good website; maintenance of records of houses where asbestos has been located, to be made available to the general public when buying and renting et cetera; and periodic information awareness campaigns, to coordinate a whole-of-government approach to the eradication of asbestos from the community.

Licola Wilderness Village: government assistance

Mr P. DAVIS (Eastern Victoria) — I direct a matter to the attention of the Minister for Environment and Climate Change concerning outstanding flood restoration works required to restore the protective levee bank at the Licola Wilderness Village. Run voluntarily by the Lions organisation with business and community support, Licola village has provided an invaluable service over the past 38 years. Countless disadvantaged children from Victoria and interstate have had the opportunity of having a break in the magnificent alpine surrounds of Licola and participating in a healthy outdoors program through the work of the village. But 2007 was a devastating year. The village was affected by the alpine bushfires, suffered damage from mudslides, and much of it was washed away in the Gippsland floods. Immediate post-flood restoration was swept down the Macalister River in a downpour last November. As a result, last summer the village had to cancel camps for the first time in its history. It has received nominal support to rebuild and gird itself against future damage on that devastating scale — just \$52 000 from a joint commonwealth-state restoration fund and \$30 000 from

the state government towards the cost of reinstating its home-driven electricity supply.

Now we come to look at the future, and there are two matters under consideration. A longer term proposal envisages redevelopment of the village to make it available full time and for a broader range of uses — in effect, to convert the Licola township into an alpine gateway. The Shire of Wellington is assisting the village to look into this possibility, and it will be the subject of a future submission.

More immediately, the village seeks approval and funding to rebuild the levee bank to protect it from future floods. Without that, it cannot operate with any certainty. The levee bank has existed for the lifetime of the village, and therefore the project is to restore an existing structure. However, the West Gippsland Catchment Management Authority is resisting approval, because it disagrees in principle with the existence of levee banks on streams. There is also the matter of funding — an amount of the order of \$100 000, which the catchment authority could well meet from its capital works budget of around \$4 million.

The authority's resistance has forced village management into a protracted process of calling in expert help to undertake studies and present a detailed case for the project. I therefore ask that the minister act to achieve a resolution of this matter with the catchment management authority in order that the levee project can be undertaken over the summer and the Licola village can thereby be adequately protected before next winter brings the risk of floods.

John Valves Pty Ltd: government assistance

Mr KAVANAGH (Western Victoria) — My adjournment matter is for the Acting Minister for Industry and Trade, and perhaps also the Minister for Water. It relates to John Valves Pty Ltd, a 112-year-old Ballarat company I spoke about this morning and which has been spoken about in the last day or so also by Mr Vogels.

The DEPUTY PRESIDENT — Order! I point out to Mr Kavanagh that an adjournment matter can be directed to only one minister. Can he just clarify which minister he wishes to direct it to?

Mr KAVANAGH — The Acting Minister for Industry and Trade. Having visited John Valves and discussed the situation of the company with the management there, it is my opinion that it is correct in its view that John Valves has not received the level of support that it deserved from the Victorian government.

Although the situation is now quite bad and the company has gone into administration, there is hope that a new buyer can be found, one that may continue the business of valve production. I therefore ask the Acting Minister for Industry and Trade to help secure a future for this company by publicly making the clearest possible public statement that from now on the government will give every preference it is able to give to any company which buys John Valves products and continues that business in Ballarat.

Ringwood: transit city

Mrs KRONBERG (Eastern Metropolitan) — My adjournment matter is directed to the Premier. It concerns the recent announcement by the Premier of the government's plan to apply \$39 million over three years to the long-awaited Ringwood station redevelopment. As we have seen in the past and frankly come to expect, this government has used an enormous degree of licence, exaggeration, spin and sleight of hand during the announcement of this project. The Premier of this state has blatantly claimed that the \$39 million project will create 1400 construction jobs and 1500 ongoing jobs. Fancy government funding on this scale creating so many jobs! This government should start advising stricken world leaders and tell the world what a mere \$39 million can do.

The truth about the number of jobs this government is claiming is that in reality they will come about by way of the massive investment of hundreds of millions of dollars on the part of Queensland Investment Corporation's in the planned redevelopment of Eastland shopping centre on the other side of the Maroondah Highway from the station. This government will not be building the multilevel extension to Eastland's malls, the hotel, the office tower, the shops and restaurants and the town square — Queensland Investment Corporation will be building them.

When we examine what the \$39 million will be applied to, we see it will be used for building around the station for urban infill and the use of airspace and a bus interchange, but nothing for the station where passengers get on and off trains. The travelling public using Ringwood station deserves a new station, not the dilapidated, grubby eyesore that commuters face every day. I ask the Premier to release details of the government's plan to upgrade passenger access and egress, especially for those with a disability, and to put in toilets, seating, lighting, protection from the weather and a greatly upgraded security system, including the immediate commissioning and installation of 12 security cameras at Ringwood railway station.

Wind energy: Stockyard Hill

Mr D. DAVIS (Southern Metropolitan) — My matter for the adjournment today is for the attention of the Minister for Planning, and it concerns the decision by the Brumby government to approve a massive wind farm development in central Victoria and to do so without proper environment effects assessments.

The proposed Stockyard Hill wind farm includes 288 turbines and another 370 potential turbines on a site between Skipton and Beaufort, about 50 kilometres west of Ballarat. The Pyrenees Shire Council wrote to the Minister for Planning asking that an environment effects statement be undertaken for the proposal prior to any permits being granted, but what appears to have occurred is that the government — or the minister specifically — has given those planning approvals without an environment effects statement. With any large-scale industrial project of the nature of a wind farm there is the risk of environmental impact. That could be of a number of types and should be assessed in a thorough way.

What I seek from the minister is some commitment from him that pre-emptory arrangements of this type, without proper environment effects statements, will not occur in the future. I would ask him to take steps to put in place a system where environment effects statements are required before large wind farm developments come into being. I hasten to add at this point that the opposition supports wind farm developments but believes they have to be in sensitive locations and they have to be placed there after all of those proper environmental and other processes have been undertaken. To reiterate, I am seeking that the minister ensure that there be put in place a process that ensures environment effects statements are undertaken before large-scale wind farm developments occur.

Driver Education Centre of Australia: Careful Cobber program

Ms LOVELL (Northern Victoria) — My adjournment debate matter is for the attention of the Minister for Skills and Workforce Participation. It concerns the highly regarded and successful Careful Cobber program that has been run at the Driver Education Centre of Australia for the last 30 years. The action I seek from the minister is to make funding available to DECA to ensure the continuation of the Careful Cobber program and to arrange for the government to fund an evaluation of the project, as recommended by the Social Development Committee of the Victorian Parliament in 1991.

Several weeks ago DECA was advised that the state government had withdrawn funding for this vital program that teaches road safety and responsible road user skills to primary school students. The government's reasoning for withdrawing the funding was that there was no evaluation of the program to assess its effectiveness. Earlier in the week, however, I discovered that in 1991 the Social Development Committee undertook an inquiry into speed limits in Victoria and as part of its report recommended that there be an evaluation of this program. This occurred under the Kirner Labor government. The government, however, refused to fund it.

The committee, which was chaired by a Labor MP, Margaret Ray, recommended that the Minister for Transport at the time, Peter Spyker, fund an evaluation of the Driver Education Centre of Australia's Careful Cobber program. The inquiry also stated that the committee was impressed with DECA's Careful Cobber road safety program for primary school children. But the Kirner government denied responsibility for funding the evaluation of the program, stating that the government encouraged private off-road facilities to evaluate their education and training programs, and public funding was not available for this purpose.

The government was wrong about it being a private company, because in 1980 the Victorian government had taken over responsibility and funding for the company that is DECA, and it owns all of the facilities. Up until December 2007 these were under the joint responsibilities of the Minister for Skills and Workforce Participation and the Minister for Roads and Ports, but in November 2007 they became primarily the responsibility of the Minister for Skills and Workforce Participation. This information comes from the DECA annual report of 2007.

As I said, the Careful Cobber program is a very effective program. We want to see it continue. It is accessed by 8500 students from 155 schools, including schools in the minister's own electorate. I call on the minister to make sure funding is made available to DECA to ensure the continuation of the Careful Cobber program and to ensure that an evaluation of the program is completed, as recommended by the Social Development Committee of the Parliament in 1991.

Responses

Mr LENDERS (Treasurer) — Eleven members raised items for the adjournment tonight, and I will address three of them. The other eight I will refer

directly on to the relevant ministers for their attention and response to the individual members of Parliament.

Two matters were addressed directly to me, one of them by Mr O'Donohue in my capacity as the minister responsible for VicForests. Mr O'Donohue essentially asked me to work with the Minister for Agriculture on a timber industry strategy, which of course I am doing and will do, and asked me to give him a specific date as to when the strategy will be released. We will get the strategy out as soon as is possible. We are obviously engaging with stakeholders who have an interest in this. As the house will know, one of the dilemmas with meeting the commitments of Our Forests Our Future in full is that around 43 per cent of our forests were burnt down during the bushfires. We are working through these particular issues and getting the balance right. I can certainly assure Mr O'Donohue that VicForests, much as it is often maligned, has just successfully gone through a harvesting and haulage tendering process over two steps. There are a lot of kinks to be ironed out and there has been a lot of community engagement, but I will certainly work with my colleague the Minister for Agriculture to expedite that report as soon as is possible.

I also had an adjournment matter from Mr Kavanagh in my capacity as Acting Minister for Industry and Trade regarding the unfortunate circumstances around the John Valves company in Ballarat, which has had extraordinary difficulties this week. Those difficulties are obviously most manifest in those families who had a person engaged at that factory and have suddenly found that the factory is in dire circumstances. What I can say to Mr Kavanagh is that my department — the Department of Innovation, Industry and Regional Development — and Regional Development Victoria have been working with the company and now the receivers of the company, the suppliers to the company and various other people. They have been meeting frequently, including for a long time today, seeking to get outcomes, firstly, for the ongoing operation of that company, and secondly, and more importantly, as to where the workforce goes with its entitlements going forward and future employment. We will continue to work through this. Clearly we are seeking to find somebody else to operate the company. There is an extraordinary amount of work the company can do in the future as well as providing jobs in Ballarat. We will continue to work on that and consider a range of options. We are working with all other parties. We are interested in where the workforce is and the ongoing nature of the company.

The final matter I will comment on — and I will refer eight matters to ministers — is the issue Mrs Kronberg

raised for the Premier regarding the Ringwood transit city. I would have thought, at a time of global economic uncertainty, the fact that the government of Victoria is working in collaboration with QIC to create jobs at Ringwood and to improve the investment is something that would be applauded. If Mrs Kronberg has any issue with the government taking pride in jobs being created, I suggest she go to the *Hansard* of this Parliament and read the comments made by her colleague Mr Atkinson in this place and Mr Ryan Smith, the member for Warrandyte in the Assembly, who both said it was critical for the Victorian government to put its \$39 million in if we were to leverage the money from QIC for the full \$500-million-plus project and the jobs. I have met with QIC. I have met with the local municipality. I say to Mrs Kronberg that if she wants to come in here and score political points, perhaps before she does so she should read the *Hansard* speeches of two Liberal colleagues who do not share her view.

In concluding the adjournment, and on a far more pleasant note, I would like to, on behalf of the government and I am sure all us — and I am sure you will add your own remarks, President — sincerely thank the Shire of East Gippsland for its hospitality and support. I am absolutely confident that I speak on behalf of everybody here. I would also like to thank the staff of the Legislative Council for organising what I think, without question, has been the most successful regional sitting we have had in my time as an MP. I think it has been done with professionalism. We have enjoyed the hospitality of the Lakes Entrance community, and the staff of the Council and the people who have supported them also deserve our congratulations for what has been a very interesting engagement. It has been great to have our Parliament out here in this environment. I think it is a tribute to everybody involved in the organisation — a job well done!

The PRESIDENT — Order! This is a little unusual, but I will ask the Leader of the Opposition to respond.

Mr D. DAVIS (Southern Metropolitan) — I want to echo the comments made by the Leader of the Government and say that this has been one of the most successful regional sittings. The vista we have out the front of this building is magnificent. The weather has been fantastic. The organisation has been excellent, and I pay tribute to the staff, to the clerks, and to Andrea Agosta in particular for the work she has done. With the exception of some slight glitches with IT, I think the sitting has gone extremely smoothly. I also pay tribute to the shire for the generous welcome it extended to all of the Parliament in terms of members and staff. I am very pleased to place those points on the record and indicate our strong support for regional sittings.

Ms HARTLAND (Western Metropolitan) — I would like to echo the points already made. It has been a really lovely week. I do not think the shire could have organised the sunshine any better than it has done. I certainly say thanks to all of the staff who have done an amazing job just to get us set up in this place. The hotel has done a really good job to make everything run smoothly. I am looking forward to a long weekend, because I am staying down here and I am going to enjoy Lakes Entrance for the next three days.

Mr KAVANAGH (Western Victoria) — I would like to support the comments made by Mr Lenders and Ms Hartland. It has been a wonderful opportunity to be here in a very beautiful part of our state, and we have also enjoyed magnificent weather. I would like to thank all those who have contributed towards the sitting — the parliamentary staff and the people of East Gippsland.

The PRESIDENT — Order! Before I adjourn this sitting I will follow in the steps of the immortal Juan Antonio Samaranch and say that this has clearly been the biggest and best regional sitting we have had, and that is unequivocal. The bar has been set at a very high level for our next one. In particular I would like to thank the staff of this facility, the Bellevue on the Lakes, who have been outstanding. The hospitality has been absolutely first-class and as good as I have ever had in any hotel or motel anywhere.

The staff of the Parliament itself have performed in an exemplary manner, whether they be from IT, Hansard, library services, the attendants, security — everyone. But we are used to that high level of professionalism.

I would like to put on record my personal thanks to the mayor, Mendy Urie, and her councillors for the hospitality they have shown us and the assistance and encouragement they gave us to come to Lakes Entrance for this sitting. The visitors, and schoolchildren in particular, who visited the parliamentary sitting were many, and I hope they got some value out of it and learnt from it. Lastly, I thank the principal organiser, Andrea, who did a great job.

House adjourned 4.12 p.m. until Tuesday, 28 October.