The Governor  
Professor DAVID de KRETSER, AC  

The Lieutenant-Governor  
The Honourable Justice MARILYN WARREN, AC  

## The ministry

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<td>Premier, Minister for Veterans’ Affairs and Minister for Multicultural</td>
<td>The Hon. J. M. Brumby, MP</td>
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<td>Deputy Premier, Attorney-General and Minister for Racing</td>
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<td>Treasurer, Minister for Information and Communication Technology,</td>
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<td>and Minister for Financial Services</td>
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<td>Minister for Regional and Rural Development, and Minister for Skills</td>
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<td>and Workforce Participation</td>
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<td>Commission, Minister for Water and Minister for Tourism and</td>
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<td>The Hon. M. V. Morand, MP</td>
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<td>Minister for Mental Health, Minister for Community Services and</td>
<td>The Hon. L. M. Neville, MP</td>
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<td>Minister for Senior Victorians</td>
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Legislative Council committees

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

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

Select Committee on Train Services — Mr Atkinson, Mr Barber, Mr Drum, Ms Huppert, Mr Leane, Mr O’Donohue and Mr Viney.

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 D. Davis, Mr Hall, Mr Lenders, Ms Pennicuik and Mr Viney.

Joint committees

Dispute Resolution Committee — (Council): Mr D. Davis, Mr Hall, Mr Jennings, Mr Lenders and Ms Pennicuik. (Assembly): Mr Batchelor, Mr Cameron, Mr Clark, Mr Holding, Mr Lupton, Mr McIntosh 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. Davis and Mr Tee. (Assembly): Ms Campbell, Mr Crisp, Mr Lim and Ms Thomson.

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

Electoral Matters Committee — (Council): Ms Broad, Mr 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 and Mr Scheffer. (Assembly): Ms Kairouz, 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 and Mr Scheffer. (Assembly): Mr Brooks, Mr Clark, Mr Donnellan, Mr Foley and Mrs Victoria.

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

Public Accounts and Estimates Committee — (Council): Mr Dalla-Riva, Ms Huppert, Ms Pennicuik 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 Tilley, 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 North.

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

Heads of parliamentary departments

Assembly — Clerk of the Parliaments and Clerk of the Legislative Assembly: Mr R. W. Purdey
Council — Clerk of the Legislative Council: Mr W. R. Tunnecliffe
Parliamentary Services — Secretary: Dr S. O’Kane
MEMBERS OF THE LEGISLATIVE COUNCIL
FIFTY-SIXTH PARLIAMENT — FIRST SESSION

President: The Hon. R. F. SMITH

Deputy President: Mr BRUCE ATKINSON

Acting Presidents: Mr Eideh, Mr Elasmar, Mr Finn, Mr Leane, Ms Pennicuik, Mrs Peulich, Ms Pulford, Mr Somyurek and Mr Vogels

Leader of the Government:
Mr JOHN LENDERS

Deputy Leader of the Government:
Mr GAVIN JENNINGS

Leader of the Opposition:
Mr DAVID DAVIS

Deputy Leader of the Opposition:
Ms WENDY LOVELL

Leader of The Nationals:
Mr PETER HALL

Deputy Leader of The Nationals:
Mr DAMIAN DRUM

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^1 Appointed 3 February 2009  ^2 Resigned 9 January 2009
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Wednesday, 12 August 2009

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

PLANNING LEGISLATION AMENDMENT BILL

Referral to committee

Message received from Assembly advising of following resolution:

That the Planning Legislation Amendment Bill be referred to the Dispute Resolution Committee for consideration under section 65C of the Constitution Act 1975.

PETITIONS

Equal opportunity: legislation

To the members of the Legislative Council:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council the objection of the Victorian community to the proposed changes to the Equal Opportunity Act 1995 which will:

1. seriously threaten the educational freedom of independent or faith schools and remove or restrict the freedom of faith-based schools to operate in accordance with their beliefs and principles;
2. remove or restrict the right of schools to employ staff who uphold the school’s values;
3. provide the Victorian Equal Opportunity and Human Rights Commission with the power to launch investigations of ‘systemic discrimination’ whether or not it has received a complaint;
4. allow the Victorian Equal Opportunity and Human Rights Commission to enter schools, small businesses and churches to conduct searches and seize documents and other material as part of their investigations;
5. remove sporting and recreational clubs from having a single-sex membership base.

The petitioners therefore respectfully call on the state government to abandon its plan for the removal of the exemptions to the Equal Opportunity Act 1995 which currently serve to protect the core interests of our faith schools, single-sex clubs and small business.

By Mrs PEULICH (South Eastern Metropolitan) (526 signatures).

Laid on table.

Ordered to be considered next day on motion of Mrs PEULICH (South Eastern Metropolitan).

Students: youth allowance

To the members of the Legislative Council:

The petition of certain citizens of the state of Victoria brings to the attention of the Legislative Council opposition to the unfair and misguided federal and state government changes to the youth allowance and TAFE fees making education for young people less accessible and affordable.

In particular, we oppose:

1. the Rudd government’s youth allowance changes announced in the federal budget placing another barrier to university participation for students, making it more difficult to qualify for the independent youth allowance and unfairly impacting on young people at a time of rising unemployment; and
2. the Brumby government’s reforms of TAFE education which triple TAFE fees from 1 July 2009 and force TAFE students to take out HECS-style loans to pay for...
their TAFE education for the first time in Victoria’s history.

The petitioners therefore call on the Legislative Council to urge the Brumby Labor government to drop its TAFE reforms and to vigorously lobby the federal government to ensure that education is accessible and affordable to all Victorians.

By Mrs PEULICH (South Eastern Metropolitan) (15 signatures).

Laid on table.

Ordered to be considered next day on motion of Mrs PEULICH (South Eastern Metropolitan).

Housing: Moorabbin

To the Legislative Council of Victoria:

The petition of certain citizens strongly opposes the decision to build a seven-storey development at the back of the Kingston town hall and draws to the attention of the Legislative Council that this federally funded and state ‘fast-tracked’ social affordable housing/public housing development accommodating 150–200 people and notes:

1. that the seven-storey public housing development would be a gross overdevelopment of the site which already suffers from a chronic shortage of car parking;

2. the site is not suited to public housing where families and children would have minimal open space and be sandwiched between the danger of the Moorabbin railway line and congested Nepean Highway and South Road;

3. that this development undermines the viability of the heritage listed and well utilised Moorabbin/Kingston town hall and the Kingston Arts Centre, and limits the future potential of the Moorabbin station precinct which should be redeveloped into a modern, subregional transport facility, with greater park-and-ride facilities and mixed-use shops to strengthen Moorabbin’s commercial future.

The petitioners call on Premier John Brumby and the state and federal governments to immediately suspend this project to identify a more suitable site and to prevent an act of planning vandalism.

By Mr D. DAVIS (Southern Metropolitan) (293 signatures).

Laid on table.

Buses: Bendigo

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council their concern that due to the Brumby government’s decision to re-route every city bus down Bendigo’s busy Mitchell Street, businesses, shoppers, pedestrians and traffic have been severely disrupted.

Your petitioners therefore request that the state government immediately review Bendigo’s bus routes and establish alternative arrangements that suit the needs of all parties concerned including traders, shoppers, motorists and bus users.

By Ms LOVELL (Northern Victoria) (76 signatures).

Laid on table.

PAPERS

Laid on table by Clerk:

Education and Training Reform Act 2006 — Ministerial Order of 12 June 2009 relating to Procedures for Suspension and Expulsion pursuant to section 5.10.6 of the Act.

Ombudsman — Report of investigations into the City of Port Phillip, August 2009.


MEMBERS STATEMENTS

Victorian Homicide Victims Support Group

Mr DALLA-RIVA (Eastern Metropolitan) — I wish to rise and give my support for the Victorian Homicide Victims Support Group. Many members would have received correspondence from the founder of the group, Janine Greening. Members would be aware that Janine Greening is the daughter of the mother who was brutally bashed, sexually assaulted and strangled at her Seaford home in 2000.

The victims support group works out of Ross House. I have been to meet Ms Greening and her family, and as usual, victims of homicide, as I have seen at the Flight of the Angels, never forget the trauma they experience when finding that their loved ones have been brutally murdered.

I think it is important to note on the record the effort that the homicide victims support group has put in in getting the suppression orders on identifying the two youths who committed this heinous crime lifted. The facts are that whilst they were young people at the time, they are now adults who have been released into the community. They are now 26 and 25 years of age respectively, and it seems ludicrous that we still have this process of suppression when we know that these offenders are out in the community. I support the work this organisation is doing for victims of crime.
**Church of All Nations, Carlton: technology centre**

Ms MIKAKOS (Northern Metropolitan) — On 4 August I had the pleasure of launching the Church of All Nations ‘ican’ IT centre in Carlton. The name ‘ican’ signifies the philosophy behind this centre — that with the use of modern technology like computers and the internet, each of us can fulfil our potential. We all know that the internet is a terrific resource but that some people are missing out on all the benefits the internet has to offer because they cannot afford to have it at home.

The Department of Planning and Community Development contributed $5000 through its volunteer grants program, $5000 was contributed by the City of Melbourne and the remaining funding came from the Church of All Nations, which will recruit and train new volunteers to provide computer support in tutoring clinics for people from diverse backgrounds, targeting Carlton high-rise residents. Overseas students with IT skills and retired or unemployed people with IT skills will be able to participate as volunteers.

As members know, volunteers play an important role in building stronger communities, and the provision of these services will undoubtedly benefit local residents in Carlton and other members of the community in keeping up to date with fast-paced, modern technology. I take this opportunity to congratulate all the program partners of this important initiative, particularly the Church of All Nations, for establishing this important centre.

**Member for Frankston: comments**

Mrs PEULICH (South Eastern Metropolitan) — During last night’s adjournment debate contribution from the member for Frankston in the other place certain imputations were made against the federal member for Dunkley, Bruce Billson, councillors, both Labor and Liberal, of Kingston and Frankston councils and me about concerns in relation to the shoehorning of significant numbers of social and public housing units in high-rise developments and these being fast-tracked through the collaborative efforts of the federal government’s economic stimulus funding, assisted by the Minister for Housing and fast-tracked by the Minister for Planning.

The deviation from previous models of social and public housing delivery to high-density models, which are often in inappropriate locations and which often bypass due process, are legitimate issues for public debate, despite Minister Wynne’s sentiments about Frankston people that they ‘p’ him off — and that is his expression.

This is a scurrilous attempt to link these concerns by the member for Frankston to a vile and unauthorised flyer. I understand that the member for Frankston, Dr Harkness, has called on the Attorney-General to take some action. I call on Dr Harkness to take this flyer to the police immediately and also to issue a statutory declaration giving an undertaking and a guarantee that he has had nothing to do with the circulation or production of this flyer, which attempts to find an escape hatch for his policy mess.

**Tawonga: streetscape project**

Ms DARVENIZA (Northern Victoria) — I was very pleased on Wednesday last to visit Tawonga to officially open the Tawonga streetscape project. This is a partnership project between the Victorian government and the Alpine shire, funded by a $40 000 small towns development grant from the state government and $20 000 from the Shire of Alpine. The project has included new picnic facilities, a new footpath, a new stone wall feature and the planting of advanced trees to create an avenue. This project is going to attract more passing tourists to stop in Tawonga and is going to provide a boost for the local economy.

**Euroa: revitalisation project**

Ms DARVENIZA — On a separate matter, I was pleased to visit Euroa on Thursday last to announce a $300 000 grant for the Euroa township revitalisation project, which involves the makeover of the two main entrances to Euroa. The works will create a positive first impression for visitors travelling into the town from the Shepparton road or entering from the Hume Highway. It will include the installation of new overpass guard rails, landscaping works and beautification of the town entrances. These works are going to provide employment for workers who have been affected by the drought and also by the closure of Teson Trims.

**China: human rights**

Mr FINN (Western Metropolitan) — I have watched over recent weeks with increasing disgust and anger the tactics of the Chinese government as it has attempted to intimidate and bully Australian citizens in Australia. We are well aware that the Chinese government is comprised of thugs, liars and murderers.
and has no compunction at all in suppressing and persecuting its own people. In fact it stays in power by such methods. Brutality is a way of life when it comes to the day-to-day operations of the Chinese government. This is a well-established fact.

I have a message for the old despot's who run China: Australia is a country that cherishes freedom; we will not be stood over by corrupt thugs, and we will not be dictated to by bloodthirsty despots. That sort of thing might be okay in China — it clearly is okay in China — but we will not put up with it. It will not wash here in Australia. The Chinese government and its agents in Australia should keep their noses out of our business. I can only hope that democracy will one day very soon come to our friends in China and replace those old fools who are in charge now.

Edward ‘Ted’ Kenna

Ms PULFORD (Western Victoria) — In recent weeks Australia mourned the passing of Ted Kenna, the last surviving World War II Victoria Cross recipient. Much has already been said about this great man, who was awarded the Victoria Cross after shooting out a Japanese machine-gun post in May 1945 while he was in full view and less than 50 metres away. His bravery helped secure Australia’s victory in New Guinea.

I would like to take this opportunity to pay tribute to the community of Hamilton, in my electorate of Western Victoria Region, who welcomed home their war hero in exceptional style. In 1948 the Hamilton community rallied to raise funds and build a home for Ted Kenna and his new bride. The newlyweds lived in the house until relatively recent times.

In 1988 the community once again united to raise funds to contribute to a portrait of their war hero. The portrait by eight-times Archibald Prize winner Sir William Dargie was commissioned in 1988 by Wannon MP David Hawker with the support of the Hamilton community. I believe Sir William painted the portrait for a greatly reduced fee. The portrait currently hangs amid world war honour rolls in the Hamilton Performing Arts Centre. I am proud to represent this community, one that through its generosity and spirit paid such a fitting tribute to a man who gave so much for our nation.

Police: Boroondara

Mr D. DAVIS (Southern Metropolitan) — My matter concerns public safety and the rising levels of violent crime. I note particularly that recently released Victoria Police crime statistics show that violent crime in Boroondara has increased by 19.5 per cent under Labor, from 298 cases in 2000–01 to 356 in 2008–09. At the same time the Premier has been stripping police out of Boroondara and particularly Ashburton. The member for Burwood in the other place, Mr Stensholt, has actively supported the removal of 10 police officers from the Ashburton police station. The station had a roster of 11 but now has a roster with a part-time officer from 10.00 a.m. until 4.00 p.m., Monday to Friday. That is not good enough.

The challenge of policing in Ashwood and parts of Ashburton requires an active police presence. Local traders and members of Neighbourhood Watch groups make it clear that they want the return of a full police complement at Ashburton. The Premier has no excuse. These police statistics make it clear that there is a need for a full police presence in the city of Boroondara and, I would argue, also at the Ashburton police station. Mr Stensholt should hang his head in shame. It is disgraceful that he has not been prepared to stand up for his local community — —

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

Neuroscience: research facility

Mr ELASMAR (Northern Metropolitan) — Last week I attended a sod-turning ceremony held at the Austin Hospital. The federal Minister for Families, Housing Community Services and Indigenous Affairs, Jenny Macklin, and Premier John Brumby, together with Labor government members Jenny Mikakos, Craig Langdon, the member for Ivanhoe in the other place, and Minister Jennings were also present at this historic occasion which will see a new $45 million neuroscience research building constructed at the Austin Hospital. This project will create 200 construction jobs over two years and support another 200 new and ongoing science jobs once it is completed.

Nillumbik: citizenship ceremony

Mr ELASMAR — On another matter, I was very pleased to attend the citizenship ceremony held at the Nillumbik council chambers last Thursday evening. As usual, there were many excited new Australian citizens who received their citizenship certificates from my hand. It was very enjoyable evening for everyone, and I congratulate all the Nillumbik organisers for a job well done.
Yarra Community Housing

Mr ELASMAR — On a further matter, I was pleased to be part of the launch of a new housing project last Thursday with the Minister for Housing, Richard Wynne, which will see a rooming house owned by Yarra Community Housing converted into eight self-contained units. This has been made possible by nation-building funding, and will cost over $1 million — money well spent on housing for the needy.

Mrs Peulich — On a point of order, President, further to the matter I alluded to in my 90-second statement, I wish to raise as a point of order for your investigation the adjournment matter raised by Dr Harkness, the member for Frankston, in the Legislative Assembly last night entitled ‘Racial and religious tolerance: Frankston flyer’.

I will not refer to the detail of this matter, because that would be against standing orders; however, Dr Harkness made imputations of racism against both the federal Liberal member for Dunkley, Bruce Billson, and myself as well as Frankston and Kingston councillors, both Liberal and Labor. Much of the content of his contribution was unparliamentary and offensive and falsely imputed motives of racism which are unacceptable.

I ask that you, President, investigate the comments made by Dr Harkness and procure a public apology. All members of Parliament are united in their stance against racism, and any attempt to falsely impute or invoke racism is counterproductive to a cohesive Australia and Victoria. Again I ask you to investigate these matters and procure an apology, because I believe Dr Harkness has breached several standing orders.

The PRESIDENT — Order! Mrs Peulich has raised what I consider to be a reasonably important matter. I am not convinced that there is much I can do about this matter. Given that it was raised by a member in another place and a point of order was taken and dealt with in that place, I feel that I am limited in what I can do, but I will take advice on the matter and ascertain what it is appropriate for me to do then get back to the member.

Ambulance services: enterprise bargaining agreement

Ms HARTLAND (Western Metropolitan) — Last week I spoke at a rally supporting Victorian paramedics in their campaign for proper rest breaks and fair wages. I have spoken on numerous occasions in Parliament in support of the campaign by paramedics to secure a minimum 10-hour rest break between shifts.

For the past five years the Brumby government has warned Victorians that fatigued drivers are dangerous drivers and that fatigue kills, yet it has been content to overlook paramedics in this equation. The government endorses the Transport Accident Commission campaign and yet has been prepared to have fatigued paramedics driving ambulances. I consider this position to be pure hypocrisy.

Fortunately, last night the government saw sense and negotiated an agreement with the union. I put on record today the fact that I think the union conducted a great campaign not only in standing up for its members and their right to decent pay and occupational health and safety standards but also for the community by making sure paramedics are able to deliver a good standard of ambulance care to Victoria.

Mr HALL (Eastern Victoria) — I move:

That the following parts of the Bulk Entitlement (Eildon-Goulburn Weir) Conversion Further Amending Order 2009 be disallowed:

(1) paragraph (a) of clause 3;

(2) all definitions, except the definition for Wimmera-Mallee pipeline water savings, in paragraph (c) of clause 6;

(3) clause 7;

(4) clause 9; and

(5) the item relating to ‘Modernisation water savings’ in proposed new schedule 3 in clause 10.

This is probably one of the most serious issues ever faced by the people of northern Victoria. Coalition members do not come here today to move this disallowance motion in a light-hearted way. It is a very serious issue and one we have given strong consideration to, because disallowance motions in themselves are not a mechanism used frequently; they are reserved for serious issues that need to be considered by the Parliament. So it is that coalition members today move this disallowance motion.

When we announced publicly last Wednesday that we would do this, we were extremely disappointed in what can only be described as a flippant response from the government to this exercise. Government members claimed that this was purely a political exercise and said, ‘Do what you like, but we will circumvent this
course of action and use other powers available to us anyway to bring about what we need to achieve and that is a diversion of water from the northern part of Victoria to Melbourne’. That position is sheer arrogance and it is becoming a hallmark of this government, whose members say, ‘No matter what the Parliament thinks, no matter what the people of Victoria think, we are going to pursue our objectives and do what we want to do anyway’.

The Brumby Labor government is being tagged with that stigma in a number of different ways because of the actions it has taken. This is a classic example. We should forget what the government promised the people of Victoria before the last election and what it promised to do for the environment. All those promises are abandoned with the pledge of the Brumby government to divert 75 gigalitres of water from the north of the state to Melbourne. All of us will clearly recall that prior to the last election the Labor government made a very clear statement of an absolutely iron-clad guarantee to the people of Victoria that, if re-elected, it would not move water from north of the Great Divide to south of it. That government promise prior to the election was a clear statement and it is on the record. This proposed action will break that promise.

Moreover on water issues, the government promised not to build a desalination plant. It mocked the Liberal Party for proposing a desalination plant as part of its election promise. What has happened? Contracts have been signed to build a 150-gigalitre desalination plant at Wonthaggi. These are broken promises that reflect poorly on this government, and they threaten the very viability of some of the communities in the northern part of Victoria. It is with that gravity that we have raised this issue in Parliament today.

I will go into why we oppose the amending order in a minute. I want to give to readers of or listeners to this debate some background to what bulk entitlements mean and the mechanics of this particular amending order. First of all, a bulk water entitlement is a legal power given to the government of the day. It is created by ministerial order under division 1 of part 4 of the Water Act 1989. A bulk entitlement legally allows an authority — in this case we are talking about Goulburn-Murray Water — to allocate certain waters to various users of those waters. In particular I draw the attention of the house to section 34 of the Water Act 1989. That particular section gives power to the Parliament to disallow in full or in part any part of those bulk entitlement orders.

The Bulk Entitlement (Eildon-Goulburn Weir) Conversion Order was first gazetted on 7 September 1995. That action gave Goulburn-Murray Water the power to allocate waters under its control, particularly waters stored at places such as Lake Eildon, Goulburn Weir, Waranga Basin and Green Lake.

That entitlement gave it the power to allocate certain quantities of water in those storages to various users; the users, by the bulk entitlement order, included those who had a right for domestic and stock purposes, those who had a right or a licence to irrigate — now we call them people who are holding water shares — and it also provided a bulk water entitlement to non-metropolitan urban water authorities like Goulburn Valley Water, Coliban Water and Central Highlands Water.

It also provided water for sales water, although when I mention sales water, the people of northern Victoria would rightfully scoff, joke and laugh, and say, ‘What sales water?’, because sales water is something that has been non-existent for a long time in the north of the state. There simply is not the water to meet their needs, let alone to go to sales water.

The original bulk water entitlement order was gazetted on 7 September 1995. There have been four amendments to that bulk entitlement order over the years; they were made on 26 June 2004, 12 October 2004, 13 June 2006 and 28 June 2007. There were some amendments to that bulk water order. The most recent one, and the amendment which is the subject of this motion, occurred on 28 May of this year, and this disallowance motion seeks to disallow parts of this 28 May amendment order.

In particular, while not wanting to quote all of the amendments, I want to make some comment on parts of this published amendment order. First of all, I want to draw the house’s attention to the purpose of the amended order — that being to allow water savings derived from modernisation works in the Goulburn-Murray irrigation district to be reserved for future allocation to Melbourne irrigators and the environment in accordance with Victorian government commitments.

In saying that, I repeat that these are new Victorian government commitments; they were not Victorian government commitments prior to the last election. They have come into play recently but are not the commitments given to Victorians prior to the election, so no imprimatur has been given to this government to do what it is trying to do.

I will now go to the amendments to schedule 3, because they spell out in detail exactly what are the
government’s intentions with respect to these amendments. The amendments to schedule 3, on modernisation water savings, say:

1. Annually reserve a volume of modernisation water savings, calculated in accordance with the calculation methods approved by the Minister for Water, for subsequent transfer to irrigators, Melbourne and the environment in accordance with the following water sharing arrangements described in item (2) and (3).

I will come back to ‘calculation methods approved by the Minister for Water’, because we have some grave concerns that the water savings promised will not be delivered and because the calculation methods are the methods approved by the minister — not by any independent authority but by the minister. We reckon some of those accounting methods are going to be fairly dodgy. Point 2 under this amendment to schedule 3 says:

The first 75 gigalitres of modernisation water savings achieved from the following projects to be reserved for Melbourne before June 2010:

(a) the Victorian government investment component of the Shepparton modernisation irrigation project;

(b) the Central Goulburn 123 & 4 project; and

(c) northern Victoria infrastructure renewal project stage 1.

I will come back to each of these savings areas and again point out our concerns and the disbelief we have in some of the proposals in respect of those. Before going back to some of those points I want to draw to the house’s attention one further important point in this amendment document. While it says — and I am paraphrasing here — that the government believes it can get up to 225 gigalitres in savings from the northern Victoria infrastructure renewal project stage 1 and will distribute that quantity according to the formula the government has earlier referred to, it says about stage 2:

Northern Victoria infrastructure renewal project stage 2 will be shared based on future negotiations with the commonwealth.

That is another broken promise, because we were promised that anything beyond that which is saved in stage 1 would be retained by the people of northern Victoria for improvements for agricultural and environmental purposes within that region. Now the government is saying that the use of the savings achieved in stage 2 will be based on future negotiations with the commonwealth.

I think most of us can probably guess what the commonwealth is going to say — that is, ‘We want to look after the needs of South Australia. We want to look after the Living Murray, environmental flows et cetera’. While we do not have any objections to putting some of those future savings back for environmental purposes, again it involves negotiations with the commonwealth, which is contrary to what was promised to the people of Victoria. The bulk water entitlement amendment — the subject of this motion — is a fairly lengthy document, but in a nutshell those are some of the key issues I now wish to canvass.

First of all I want to discuss the issue of where the water is coming from. Where is the first 75 gigalitres of water coming from? I would be the first to acknowledge that Melbourne faces a need to improve its water supplies, and I have done several things in this house to try to address that, including putting forward a private members bill that I think would have been of great assistance in increasing water availability for Melbourne. I moved a motion, suggesting certain terms of reference, to get a parliamentary committee to look at alternative ways in which to supply Melbourne’s water. That committee has reported to the Parliament on ways in which that can be achieved.

I say again today that this government does not need to transfer 75 gigalitres of water from the north of the state to Melbourne when it has available to it an enormous resource in the form of recycled and reused water. It has an enormous resource in uncaptured stormwater, which it could well use to supplement water supplies in a way that I think would be acceptable to Melburnians and all Victorians. It does not need to transfer 75 gigalitres of water from the north of the state to Melbourne.

What we are told by way of this particular amendment is that the water savings are going to come from a number of different sources. I refer the house to page 18 of a government document entitled Food Bowl Modernisation Project — Steering Committee Report November 2007, where it is set out in table form how the 75 gigalitres of water savings are to be achieved. It says the Central Goulburn 123 & 4 project will achieve 17 gigalitres of water savings in each of 2008–09, 2009–10 and 2010–11. It says the Shepparton modernisation project will achieve 12 gigalitres of water savings in the current year, 2009–10, and also in 2010–11. It says that part of Lake Eildon water quality reserve will be used: 10 gigalitres of that in the current year and next year. Then it says the food bowl modernisation project stage 1a will achieve 10 gigalitres of savings in 2009–10 and 20 gigalitres in 2010–11. It says those savings will be accumulated. The government will save 125 gigalitres, and Melbourne will then have 75 gigalitres of those savings.
First of all, the government is assuming that savings can be accumulated over a period of three years, which is not sustainable in the long term. The government then says further components of the food bowl modernisation project will achieve sustainable long-term savings. I will look at those in more detail.

I turn first to the Central Goulburn 123 & 4 modernisation project. Goulburn-Murray Water’s website says the project is intended to achieve 17,600 megalitres of water savings annually — that is, 17.6 gigalitres. It is going to cost $42.8 million, and I think this is important. The project is funded by the Victorian state government and Water for Rivers with the majority of water savings being returned as environmental flows for the Murray and Snowy rivers. Under the heading ‘Water savings’ the website says:

It is estimated that 17 600 megalitres will be saved by this project with these savings earmarked for Water for Rivers, which provides increased environmental flows to the River Murray and Snowy River.

You cannot direct 17 600 megalitres of savings to the Murray and Snowy rivers and also take 17 gigalitres of savings for the north–south pipeline project, but that is what the government has said it will do. In the document I have just quoted, the food bowl modernisation project document, it clearly says that this figure of 75 gigalitres is reliant on the 17 gigalitres coming from this project and going to Melbourne. The other document says this water is earmarked for environmental flows for the Snowy and Murray rivers. That is broken promise no. 2 — that is a broken promise to the environment. All the government’s claims at the last election about how it would improve environmental flows to the Murray and restore environmental flows to the Snowy River have now been abandoned. This is an inconsistent, broken promise in respect of the Central Goulburn 123 & 4 modernisation project. You cannot count savings twice, and that is what the government is doing.

As another example of the dodgy figures involved in this, on the weekend I looked at the government’s Our Water Our Future website. It discusses the Central Goulburn 123 & 4 channel automation project. It talks about the same dollar figures, the same program, and it says under the heading ‘Water savings’:

The project is expected to deliver 15.2 billion litres …

One document says 17 billion litres, but this website says 15.2 billion litres. The government’s calculations and reckonings are based on the 17-billion-litre figure, but one of its own websites says it is only 15 gigalitres. Again I point that out. What is the right figure — is it 15.2 gigalitres or is it 17 gigalitres? Let the government explain the inconsistency between what is published on the Our Water Our Future website and what is published on Goulburn-Murray Water’s website. It is the same project, but these are different figures. The government has not only broken a promise to the environment but also been pretty dodgy and loose in what it has suggested in terms of the volume of savings that can be achieved. That is the first line item on where the 75 gigalitres of water are going to come from.

The second line item concerns the Shepparton modernisation project. The government says this will save 52 megalitres of water. Goulburn-Murray Water’s website says under the heading ‘Water savings’:

It is estimated that 52 000 ML (a mix of high and low-reliability water) will be saved by this project with savings earmarked for the Living Murray initiative (30 000 ML), Water for Rivers (5000 ML) and the balance of (17 000) ML will be retained by Victoria.

That matches up, because there is a figure of 12 megalitres, so it is not undercutting the figure in the document which adds up to 75 gigalitres. However, if for example you had looked at that same website on 20 September 2008 — that is less than 12 months ago — you would have seen exactly the same document except for some significant changes under the heading ‘Water savings’. Less than 12 months ago water savings for this particular project were described. The document I have just quoted says:

It is estimated that 52 000 ML (a mix of high and low-reliability water) will be saved by this project with savings earmarked for the Living Murray initiative —

which provides increased environmental flows to the Murray and Snowy rivers.

Again there is no mention of the fact that some of this water is going to be diverted to Melbourne to satisfy the 75-gigalitre promise made by the government. It has changed its mind. It has broken a promise again. Very clearly, 12 months ago all the water under this modernisation project was to go to environmental flows in the Snowy and Murray rivers. Now the government is going to pinch some of it to fulfil its claim about a need to direct water from the north to the south.

I also want to comment on the third component of the savings, which is that part of the Lake Eildon water quality reserve will be used to fulfil the 75 gigalitres coming down the north–south pipeline. I draw the house’s attention to the fact that this water quality reserve is a small fraction of the volume of water stored in Eildon and it is used for environmental purposes — that is, when we have an environmental problem to
address such as blue-green algae. That 30 gigalitres is set aside and used for that exact purpose — for example, flushing a river to get rid of blue-green algae. It is emergency high-risk water, and the government has said, ‘We are going to take 10 of those 30 gigalitres that have been set aside for this purpose and use it to fulfil our commitments to the north–south pipeline’.

Besides the fact that most people would say that it is worthwhile — in fact, essential — to have that reserve available for environmental purposes, I draw the attention of the house to the fact that Lake Eildon itself is only at 17.51 per cent capacity. Anybody who has driven up the Hume Highway through Bonnie Doon and other places would think as they cross the bridge, ‘There is no water in this reservoir’, and that is true. Capacity is at 17.51 per cent, and yet the government is going to take some of this precious water quality reserve to meet the needs of people in Melbourne.

Finally, the government says the fourth component of the savings will be achieved by the food bowl modernisation project. There are lots of aspects of that which we could talk about, and I am sure some of my colleagues will do so, but I want to refer the house to the fact that we believe some of the assumptions for savings under the food bowl modernisation project are so far-fetched that they are totally unrealistic.

I will give one example. I refer the house to the water savings protocol for the quantification of water savings from irrigation modernisation projects. It is a government document; it has ‘Victoria — the place to be’ all over it. In terms of some of the water savings that are going to be achieved under the food bowl modernisation project, it talks about the savings the government thinks can be achieved simply by making greater improvements and efficiencies with the use of Dethridge wheels in the irrigation system. For example, on page 15 of the document it says:

> Recent work has indicated that an average unauthorised usage of 0.9 megalitres per year per service point can be expected from Dethridge-type service points.

There is no real substantiation for that assumption, but the government assumes that 0.9 megalitres of water per wheel is stolen — that is what it says — and can be improved on.

The next page says:

> … the adopted average loss rate through existing Dethridge meter service points is 1.9 megalitres per service points per year.

Again, there is no substantiation for that figure. Page 21 of the document then says:

> For service points which have the potential for leakage —

> it is recommended a loss rate for leakage around the service point of 0.4 megalitres per service points per year be adopted.

Again, this is a bald assumption without any great substantiation. If you add just those three figures together you have a total of 3.2 megalitres per wheel per year which, it is assumed, will be lost. When you assume that each of the 18 000 wheels in the whole system will lose 3.2 megalitres of water, you see that that totals 57 600 megalitres. It is almost exactly a quarter of the 225 gigalitres which the government claims can be saved under the food bowl modernisation project.

When these sorts of assumptions — in which a quarter of the amount is very dodgy to say the least — are made we ask how we can have any confidence in the accuracy of the water savings the government claims it will achieve. These are the sorts of figures and assumptions the government has made in its claim that it can save 225 gigalitres in stage 1 of the food bowl modernisation project. The figures do not add up. I think any reasonable person who looked through those figures would agree with me and my colleagues in the coalition that these assumptions are simply too unrealistic for us to have any confidence in the water savings predicted by the government.

Finally, I also want to draw the house’s attention to some of the work undertaken by my colleague in the Assembly Mr Walsh, the member for Swan Hill, who is also the coalition spokesperson on water issues. Mr Walsh went back through some of the documents produced by the government and added up all the water savings claimed under a number of projects. The food bowl modernisation, stage 1, is claimed to save 225 gigalitres, and we have talked about that; the claimed savings for the Central Goulburn modernisation project, stages 1, 2, 3 and 4, are 17 600 megalitres; for the Shepparton project, 52 000 megalitres; for the food bowl modernisation project stage 2, which I have not talked about, 200 000 megalitres; and for the other project I have not spoken about today, the Goulburn-Murray Water reconfiguration, 25 000 megalitres.

If you add up those claims made by the government, you come to a total of 519 600 megalitres of claimed savings. The figure of losses of Goulburn-Murray Water alone is 450 000 megalitres. Those are the actual losses in any one year. That is, if you look at the water that is released and what is used at the end of the system you see a difference of 450 000 megalitres in
the system in total. The government’s claims on water savings exceed the actual losses incurred by Goulburn-Murray Water. There is no logic in that.

Again, that is why we claim these figures are extremely dodgy. We have no confidence in the government’s estimates of savings that are to be achieved, especially when the government is making outrageous assumptions and using figures such as these in which claimed savings exceed the losses which actually occur. I rest my case on that point.

We also have concerns about the audit process for savings, because this is crucial to the whole argument. We need people who are completely independent — external auditors — to verify the savings and whether those savings are achieved. We are concerned about this because it seems to us, upon reading all these government documents, that the auditing will occur only after the allocation of claimed savings — that is, when those savings have been distributed. The savings should be audited and verified — and the Parliament and people of Victoria should be satisfied that they have been made — before those savings are distributed.

We say there is one way of fixing all this. There will obviously be a big debate about the auditing process, and there is one way of fixing that. If the government says that ultimately savings will be shared between Melbourne, irrigators and the environment, from day one let us start with any savings being shared equally and simultaneously for those three purposes. That way it will be fair. If we have savings of 3 megalitres, the north–south pipeline can have 1 megalitre, the irrigators can have 1 and the environment can have 1. Let us share the next 3 megalitres simultaneously, too. Then we will be able to have some confidence that at least the priorities are being considered and the savings actually realised are being shared equally and simultaneously from day one. That is the way to fix this.

Before I sit down I want to mention quickly a couple of other things. The first is something that again underlines our lack of confidence in the savings predicted by the government. I refer to the climate reports produced in recent years by the CSIRO. These documents are available through the CSIRO’s website. A fact sheet on the report published when the CSIRO looked at water availability in the Goulburn-Broken system states that one of its key findings was:

If the recent (1997 to 2006) climate were to continue, average surface water availability would be reduced by 41 per cent and the volume of water diverted for use within the region would be reduced by 25 per cent.

That is, the CSIRO found that if current climate patterns continue, we will have 25 per cent less water diverted for storage within the system. In a fact sheet produced by the CSIRO entitled *CSIRO Murray-Darling Basin Sustainable Yields Project — A Report to the Australian Government July 2008* it is stated that a similar key finding was made:

If the recent (1997 to 2006) climate were to persist, average surface water availability for the Murray region would fall by 30 per cent, average diversions in the Murray region would fall by 13 per cent and end-of-system flows would fall by 50 per cent.

So we should all be — and I think rightfully are — concerned about the changing climate and the impact that will have on future rainfall. Again, I do not think the assumptions made by government in suggesting these water savings will be achieved adequately accommodate the need to address matters pointed out to us by organisations such as the CSIRO.

I also want to talk briefly about what I think are myths about the benefits of water savings that are being perpetuated by government and others with vested interests. I get sick of the public commentary by individuals and government that 75 per cent of the state’s water is used by agriculture and therefore, because it is the beneficiary of the water, it should bear the pain of water restrictions. I point out that because we have an irrigation district, the Goulburn-Murray irrigation district, and because in my area we have the Macalister irrigation district, Victorians enjoy freshly produced food that would not otherwise, in large part, be available to them. Of course agriculture uses a quantity of water, but it is for the benefit of all Victorians, not just the people in those regions. We know that the Goulburn-Murray area provides much of the state’s dairy produce; it provides much of the fruit grown in this state, particularly in the Goulburn Valley. There are significant industries of beef, grain and sheep, and there is a strong tomato industry with the processing of tomatoes — King tomatoes — the majority of which are grown in this particular region. There are also a significant number of winegrowers. Yes, water is used in great bulk for the production of primary goods; we concede that. We as Victorians all benefit from that. It is ludicrous to suggest — forget about us having water restrictions — that those people in rural Victoria use most of the water and therefore they should have heavier restrictions than we have in Melbourne.

I again look at the CSIRO website and point out that to produce 1 kilogram of oven-dried wheat grain takes between 715 and 750 litres of water; 1 kilogram of beef takes between 50 000 and 100 000 litres of water; and...
1 kilogram of clean wool takes 170 000 litres of water. The dresses and suits we are all wearing in this chamber are the product of irrigation districts. We rely on water to grow food and fibre to meet our needs. The people of Victoria, not just those outside the metropolitan areas, enjoy the benefits of having irrigation districts and the water used in those areas.

I also refer to the current allocations of holders of water shares in the northern part of the state. These figures were obtained from the Goulburn-Murray Water website at the weekend. Last year people within the Murray system got 35 per cent of their water shares delivered. They paid for 100 per cent, but only 35 per cent was delivered. People in the Goulburn system got 33 per cent; people in the Broken system got 0 per cent; people in the Campaspe system got 0 per cent; in the Loddon system, 0 per cent; and in the Bullarook Creek system, 0 per cent. There was not enough water to satisfy those who held existing water shares. The current allocations were released, and they were first mentioned on 3 August this year. In the Murray, Broken, Goulburn, Campaspe, Loddon and Bullarook Creek systems the allocations were 0 per cent in every case. No water was available to allocate. I have referred previously to the storages in northern Victoria. Eildon is at 17.51 per cent. Of the other major reservoirs in the north of the state, Eppaloch is at 5.66 per cent, Hume is at 17.77 per cent and Melbourne’s dams are at 27.3 per cent. Yes, they are very low and we have to do something about it, but those storages in the northern part of Victoria contain much less than even those in Melbourne. People do not understand the logic of this government taking water from an area where the need is far, far greater than that of Melbourne. On logic alone that is why The Nationals have moved to disallow this bulk entitlement amendment.

I get annoyed when I read comments from the Treasurer such as that on Friday, 2 November 2007, when he said:

We must govern for the whole state, and I want to make it clear that the Victorian government would not authorise a $600 million payment to the food bowl project, without the pipeline and shared benefits …

I think Mr Lenders was speaking at a Municipal Association of Victoria gathering. He also said:

Two-thirds of these water savings will be provided to irrigators and rivers and the Sugarloaf pipeline will provide the remaining third of the savings to help secure Melbourne’s water supplies …

That is absolutely, totally wrong. The remaining third of the savings will go to people in the north. The initial third of the savings is for the people in Melbourne. Melbourne’s needs will be addressed before the needs of the northern part of the state. It is absolutely wrong and hypocritical for the Treasurer of the state to suggest to people that Melbourne will only take what is left over after the savings have been achieved, because that is what he has said in this press release. This is what the government keeps perpetuating: that these savings will be shared equally between all those users. If they are, we say simply, 'Do it from day 1, and do it simultaneously so that the three areas where water savings will be directed share equally, proportionately and simultaneously in those savings', which I think would be regarded as a fair alternative and a fair outcome for Victorians.

As I said at the outset, this is one of the most serious issues facing country Victoria, particularly northern Victoria. We believe extremely strongly that with respect to this issue the government has broken a number of promises it made to the people of Victoria prior to the last election in relation to its commitment to the environment. Those promises have all been abandoned for the sake — I think the government must believe — of some political advantage. I do not think it will be a political advantage at all. I talk to people in Melbourne, and none of them can believe Melbourne is taking water away from the driest area of the state, an area that is absolutely parched at this point of time, to redirect it — I believe unnecessarily — to supplement Melbourne’s water supplies.

I say to members of the government that they should think about this and make sure they are comfortable when they go to bed tonight about being part of a government that is taking water from the north and directing it to Melbourne. I do not reckon I would be comfortable about that. I reckon I would have a bit of guilt, because when I look at the people of Victoria and those who live in the northern part of the state, I reckon they need that water more than the people in Melbourne.

That is why I have moved this motion. For equity and fairness for all Victorians we should make every effort to resist the reallocation of water from the north to Melbourne. That is why I call on government members to examine their own consciences; if they have them, they will support this motion.

Ms BROAD (Northern Victoria) — I rise to oppose Mr Hall’s motion and to urge members opposite to think very carefully about the positions they are adopting here today. In particular I remind the Liberal Party of the last time it was persuaded to follow The Nationals on the question of the north–south pipeline.
That was a position which lasted, I think, the grand sum of four days before there was a humiliating turnaround when the Leader of the Opposition had to rescue his water spokesperson from a completely unsustainable position that even the Victorian Farmers Federation, which The Nationals are supposed to be close to, declared was completely unsustainable. I would urge the opposition members, the Greens and Mr Kavanagh to think very carefully before following The Nationals’ lead too closely. I would urge them to think about what happened to them the last time they did something similar.

I would like to explain to the house what the actual impact of the motion before the house would be, because it is important for members in making up their minds about this motion to understand exactly what its impact, if carried today, would be. If agreed to, this motion will prevent Goulburn-Murray Water from setting aside savings from modernisation projects as a primary supply entitlement so that they could be allocated to Melbourne, the environment and irrigators according to our commitments — those being the Brumby Labor government’s commitments for stages 1 and 2.

Ms Lovell interjected.

Ms BROAD — The opposition might not like to hear what I am saying. I did listen to The Nationals’ lead speaker on this motion, and I certainly have no difficulty in hearing what the Liberals want to say when they get to speak in this debate. But it is interesting, isn’t it, that they want to shout me down and not hear what I have to say about this?

Ms Lovell interjected.

Ms BROAD — I will come back to the impact of this motion on constituents. I wonder whether The Nationals and the Liberals have talked about what the impact of this motion would be — not only in relation to water but in relation to cost — on constituents, particularly in northern Victoria. I will come back to that point, because it is a very important matter and I suspect — it is just a suspicion — that neither The Nationals nor the Liberals have talked about what the impact of this motion would be if carried or implemented.

In effect it would mean that irrigators would get all available savings from one season to the next — that is, some 425 gigalitres or 425 billion litres — because by default the bulk entitlement order requires Goulburn-Murray Water to allocate spare water, or water from savings, to meet existing entitlements in accordance with the bulk entitlement order.

For members who perhaps have not yet had the opportunity, the bulk entitlement order is worth having a look at. If you examine the order, you will see it has a history going back to 1995; it has been regularly amended since then to update it for developments over time. It is not difficult in examining this order to understand what the impact would be of the amendments that have been moved by The Nationals today.

I draw the house’s attention to the purpose of the order. Clause 3 clearly sets out the purpose. It states:

The purpose of this order is to make such amendments to the Bulk Entitlement (Eildon-Goulburn Weir) Conversion Order 1995 (as amended) that are necessary in order to:

(a) allow water savings derived from modernisation works in the Goulburn-Murray irrigation district to be reserved for future allocation to Melbourne, irrigators and the environment in accordance with Victorian government commitments; and

(b) update storage volumes for Lake Eildon and Waranga Basin in accordance with the most recent surveys.

You can see from this motion that paragraph (a), the purpose clause which reserves future allocation three ways — between Melbourne, irrigators and the environment — would be struck out or removed from the order, according to the motion moved by The Nationals.

Let us proceed through the order to clause 10 and proposed new schedule 3 and go to the item ‘Modernisation water savings’ in that schedule, which the motion before the house is seeking to strike out. I will refer to parts of the order in the schedule which would be struck out by this motion if it were carried and implemented:

1. Annually reserve a volume of modernisation water savings, calculated in accordance with the calculation methods approved by the Minister for Water, for subsequent transfer to irrigators, Melbourne and the environment in accordance with the following water sharing arrangements described in item (2) and (3).

It goes on to specify that those water-sharing arrangements include:

2. The first 75 gigalitres of modernisation water savings achieved from the following projects to be reserved for Melbourne before June 2010 …

It goes through the projects and then adds:

3. Thereafter, and until converted to water shares, the annual modernisation water savings from the —
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projects listed, which include the —

iii. Northern Victoria infrastructure renewal project
    stage 1 up to 225 gigalitres be shared as:
    
    a. one-third of annual modernisation savings for
       irrigators …
    
    b. one-third of annual modernisation water
       savings for the environment; and
    
    c. one-third of annual modernisation water
       savings for Melbourne.

These would all be removed as a result of the motion
before the house. The final project listed is:

iv. Northern Victoria infrastructure renewal project stage 2
    will be shared based on future negotiations with the
    commonwealth.

It is a devastating impact that is being proposed through
this motion in terms of the removal of all those
provisions from the order, and it is important to
understand what the impact of removing those
provisions would be. As I have said, in effect it means
irrigators will get all available savings from one season
to the next, because by default the bulk entitlement
requires Goulburn-Murray Water to allocate spare
water — that is, savings — to meet existing
entitlements in accordance with the bulk entitlement.
That means stage 1 savings cannot be set aside for
allocation to Melbourne and the environment in the
amounts of 75 gigalitres each. It also means that the
commonwealth stage 2 environmental savings, some
200 additional gigalitres, cannot be set aside for
allocation.

It is interesting to compare what has been said today in
the house with what has been said in the media. As
recently as yesterday morning I was having a
discussion about these matters with the member for
Swan Hill in the Assembly, Mr Walsh. It is interesting
to look at statements and releases put out last week in
relation to these matters. There are some very
significant differences between what has been said at
different times in different places. The motion before
the house is much more comprehensive in its effect
than was indicated in statements released publicly by
The Nationals last week in which they said they would
only disallow parts relating to any savings ultimately
earmarked for the Snowy River project or the Living
Murray initiative. I will come back to this, because The
Nationals are quite wrong in their interpretations about
those savings projects. In addition they said they would
only disallow parts relating to stage 2 savings being
shared based on future negotiations with the
commonwealth and savings being calculated in
accordance with methods approved by the Minister for
Water.

It is interesting that The Nationals and the Liberals seek
to cast aspersions on the commitments and statements
made by the government, but they have had no
difficulty at all in saying one thing in the house, another
thing last week and another thing in their statements.
Depending on who they are talking to at any particular
time, they can be saying a whole lot of different things
about what they intend to do and what the effect of that
might be; however, they differ enormously.

It is important to put on the record that in relation to
statements that were made last week about the Snowy
River project and the Living Murray initiative, no
Living Murray water was ever proposed to come to
Melbourne from the Shepparton project, which was
producing savings for the Living Murray initiative.
Only water from the Victorian government’s separate
share of savings from this project was ever proposed for
this purpose. That is something that The Nationals
have, at best, clearly sought to put up a smokescreen
about and, at worst, mislead Victorians about in relation
to what was proposed by the government. The order,
which is a public document, is quite clear, and if The
Nationals care to examine it, they will see that savings
for the Snowy River will not be available to Melbourne
after the middle of next year. That is clearly set out in
the order, so it is clear that The Nationals are quite
wrong and have been misleading on that point.

On the second point, where The Nationals have referred
to stage 2 savings being shared based on future
negotiations with the commonwealth — which they
have also sought to cast aspersions about — The
Nationals have claimed they are concerned that the
order does not explicitly reflect the commitment to a
50:50 share, which is the commitment that has been
made by the respective governments. The wording of
the order simply reflects the time at which the order
was made, the commonwealth commitment being still
in principle at the time and it being very much
dependent on commonwealth funding. It is interesting
that The Nationals and the opposition want to cast
aspersions on the integrity of commitments made
between the Victorian and commonwealth
governments. It was not so long ago that the coalition,
The Nationals and the Liberals, were totally gung-ho in
urging the Brumby government, and before that the
Bracks government, to sign up to former Prime
Minister Howard’s plans, with absolutely no safeguards
whateoever for Victorian irrigators and even — —

Honourable members interjecting.
Ms BROAD — They might not like to hear this, but even the Victorian Farmers Federation, which The Nationals like to think they are close to, expressed its major misgivings about signing up to the plans of the former Liberal Prime Minister, Mr Howard, without safeguards for Victorian irrigators. It was the Bracks and Brumby Labor governments that went into battle to fight for safeguards and for protections for Victorian irrigators, and they secured them.

It ensured that safeguards for irrigators, for the environment and for small towns in my region of northern Victoria were secured in the agreements with the commonwealth. The government was subjected to a good deal of criticism for doing that, for fighting as hard as it did for those protections and for being willing to stand up for Victorians first in relation to the interests of other jurisdictions. The Victorian government makes absolutely no apology for having gone into battle for Victorians, be they families in small towns or in regional cities, be they irrigators or farmers. The protections which are now secured were very important ones to get.

The commonwealth commitment is now very firm and secure under the latest agreement on linking buybacks to modernisation works. At best the supposed concerns that opposition members are raising are out of date and at worst they are again seeking to mislead Victorians with these professed concerns, which it seems they did not have at all when there was a Liberal government in Canberra.

On the third point I referred to with reference to The Nationals — that is, savings being calculated in accordance with methods approved by the Minister for Water — the order is referring to independently reviewed protocols for calculating savings that the minister has since approved and released. The process of appointing an independent audit panel, the findings of which will be made public, is under way. Again we have a situation where supposed concerns raised by The Nationals and apparently supported by their coalition partners, the Liberals, have been addressed. As I said, at best these concerns are out of date and at worst they are again seeking to mislead and find excuses for this motion.

It is interesting to note that a lot of the argument that has been put, not in this place but out in the public arena last week and earlier this week, relates to matters which do not have anything to do with the order itself but are consistent with the positions that The Nationals in particular and mostly, but not always, supported by their coalition partners, the Liberals, have taken in opposing the north–south pipeline and the Northern Victoria Irrigation Renewal Project (NVIRP).

I referred earlier to that opposition, and just in case there are any doubts about the veracity of the statements I am making today, I take members back to an article in the Age of 19 September 2008 in which the opposition spokesperson on water, Ms Asher, the member for Brighton in the other place, is reported as saying:

A coalition government will not take water from that pipeline. We have been opposed to the project since day one. We are not going to vandalise something that is constructed; we are just not going to use it.

Those statements were backed wholeheartedly by the Leader of The Nationals, Mr Ryan, and The Nationals’ water spokesperson, Mr Walsh, the member for Swan Hill, both in the other place. It would have been interesting to have been a fly on the wall during the discussions between the Liberals and The Nationals which led to the Liberal water spokesperson, Ms Asher, making those statements.

That position lasted for the grand sum of four days. It is not surprising that we do not often get very firm positions from members of the opposition, because when they set out a position, they do not seem to get it right. Just five days later Mr Baillieu, the Leader of the Opposition in the Assembly, was reported in the Border Mail as having said — and he must have had his tongue firmly in his cheek:

We have been very clear and consistent about this …

Common sense would dictate that you have a look at all options.

We’re not about to start digging up the pipeline … so if it’s there, and if it’s operational, and if there is a crisis in some stage in Melbourne’s water supplies, then we will look at it.

An honourable member — Define ‘crisis’.

Ms BROAD — I am happy to take up the interjection. I have something to say to the opposition, to The Nationals, to the Greens and to Mr Kavanagh about ‘crisis’. The Brumby Labor government does not believe that a responsible way to govern the state is to wait until there is a crisis, particularly when we are talking about a crisis affecting a metropolitan area with some 4 million people, which is a powerhouse for the state.

I might add that not only the metropolitan area of Melbourne but also small rural towns in my electorate of Northern Victoria Region have been connected to Melbourne’s water supply, because towns like Macedon would have run out of water long ago had
they not been connected to Melbourne’s water supply network. So not only are we talking about securing for the metropolitan area but we are also talking about small rural towns connected to the supply network that simply do not have enough water except through their connection to that network. It is worth bearing in mind the supply of water to those communities as well as to the metropolitan area.

The Nationals and the opposition seem quite content to wait until there is a crisis and then consider the options. Who knows what those options might be and what that consideration might be when there is a crisis? That is not the way the Brumby Labor government governs for all Victorians. It believes in planning, in being prepared and in securing our water supplies for all Victorians, be they communities in small rural towns, regional cities or the metropolitan area.

It is worth reminding the house and members opposite of that little escapade, and I suggest to them that they consider very carefully what they are going to do and whether they really want to support this motion before the house. It is clear that once again The Nationals are seeking to have the Liberals, their coalition partners, again follow them down the road of supporting a position which simply says, ‘The environment does not matter. The metropolitan area does not matter. Small rural towns connected to the metropolitan water supply network do not matter. All that matters is maximising the available water being supplied to irrigators, and everyone else can go and take a running jump’.

It is pretty straightforward; they think no-one else matters. They do not care about anyone else. That is the policy that The Nationals are again seeking to have their coalition partners, the Liberals, support, and they are seeking to have other parties in this place support it as well.

It is interesting to contemplate the finances of all of this. We know that is not something the opposition or The Nationals have let us in on what their thoughts might be on this subject.

In the first option, irrigators are going to have to pick up a $300 million bill. Under coalition proposals it is not unreasonable that if the pipeline is going to be left to rust in the ground, independent regulators might take the view that it is not possible to justify Melbourne households investing $300 million in something that produces no benefits whatsoever for the metropolitan area. In summary, that is one option — that irrigators pick up a $300 million bill. I wonder if the Liberals and The Nationals have taken the time to talk to irrigators about whether they could afford to pick up a $300 million bill.

The second option is that the Essential Services Commission should accept that it is reasonable for Melbourne households to pay the $300 million bill and get absolutely nothing for it. Those are the only two options that I can see, but I will be interested to hear if other proposals come from The Nationals or the Liberals about what should be done about that $300 million investment bill.

Honourable members interjecting.

Ms BROAD — The more I hear from the interjections, the more confident I am that the coalition has not thought to stop, think and have a discussion with the irrigators, because they are obviously a little bit anxious about this point. The coalition has perhaps not contemplated what the impact might be on the commonwealth’s investment in the Northern Victoria Irrigation Renewal Project (NVIRP) and what the impact might be of saying to the commonwealth, ‘None of these savings which have been secured are going to be delivered for the environment under the agreements that have been fought so hard for, along with the protections for irrigators in Victoria; those funds are also going to be put in jeopardy’.

Will irrigators, under these proposals put forward by The Nationals and the Liberals, be asked to pick that up as well? Are they going to be asked to pick up the commonwealth’s contribution, because those commitments are not going to be honoured under the effect of the motion before the house today? Again you would have to expect that the commonwealth, on behalf of all Australian taxpayers, might have something to say about the fact that if this motion is carried and implemented, nothing is going to be delivered in return for the commonwealth’s investment.

I could go on for much longer, but I know my colleagues also have a good deal to say about this in terms of what it means for their constituents, particularly constituents for whom it seems The Nationals and the Liberals have little regard, whether it is in terms of the financial impact or the delivery of water security for small rural towns or the metropolitan area. It seems they have absolutely no regard for water for the environment. I urge members opposite to think
very carefully before supporting this motion and to be very clear about what the impact of this motion will be if it is carried and implemented. For those reasons I urge members to oppose the motion.

Mr BARBER (Northern Metropolitan) — It is very clear to me what the impact of this motion being passed will be, and that is nil. The Greens’ only interest in this particular resolution is to attempt to get the government to the negotiating table to deliver on some of the rhetoric that was promised at the beginning, and for that matter to deliver an outcome for the environment.

This project started as a duplicitous political exercise and it is going to finish the same way, and everything that the coalition and government speakers have said today just reinforces that. We are in an environmental crisis in the Murray-Darling Basin, and lip service to the environment has been the defining characteristic of this entire debate. What the Greens are trying to achieve here is a skerrick of improvement in the Murray-Darling Basin’s current ecological state. If the government in its initial promises was going to be delivering it here today chapter and verse in the text of this agreement. It is clear it is not, because aside from some nebulous words — 75 gigalitres to the environment — there is no environmental warranty here, and I will spend most of my contribution describing why that is the case.

Certainly, though, this issue does deserve financial scrutiny. I have already moved a reference to a parliamentary committee whereby that can occur, but the one thing we need as legislators, and the one thing that every Victorian should have access to, is the business case — the government’s fundamental decision-making document — for this project, and it is the one thing that government will never, ever hand over. We saw that yesterday where the government, in record time, turned around a request for the business case relating to the desalination plant, and since both this project and the desalination plant are feeding into the same group of water users, the business case for one and the business case for the other relate directly to each other. That is obvious and fundamental. It is the entire basis on which water policy, in its requirement to be commercial for water users, is founded. But as long as the government point-blank refuses to tell Victorians what this project costs and what it will deliver by way of water dollars per megalitre, we cannot even begin to have that debate.

The social impact is important. It is unfolding before our eyes across the Murray-Darling Basin. The social ecology of irrigation farmers is in turmoil as much as the other environmental values that the Greens would frequently speak of. But again this project is but one driver of that. How it is occurring is not something that was examined up-front, nor is there a single source to understand that, if you are concerned about the social impact of this project, which we are. The social impacts of this and the effects of climate change together are profound.

I will turn back to the environmental question which has bobbed up and down in the political debate as we have gone along and never once been definitively nailed down. What is the environmental cost of this project? This represents a new low for the government in the way it is willing to treat the environmental issues surrounding a project. The best illustration of that is in the Minister for Planning’s decision under the Environmental Effects Act where he gives his reasons for not requiring an EES (environment effects statement). It states:

Any impacts of modified hydrological regimes on aquatic and riparian ecosystems are unlikely to be amenable to detailed, predictive studies (such as which might form part of an EES), but are instead suited to mitigation through adaptive management of water flows to maintain ecological values.

There is a lot of jargon there. To break it down for you: ‘We have no idea about the impacts of this project; therefore, we will track them as we go along. Therefore, why bother doing an EES?’ That is a process issue, but it is of major concern to the Greens in the Parliament because we are here to legislate, and when the legislation we deal with and rely on allows that kind of behaviour by a government, the process issue is very important.

Secondly, this project has not yet received approval from the federal government. As with a number of other projects, the government likes to get the thing under way, sign the contracts, do every other approval it needs, get the guy sitting on the back of the bulldozer with the engine running and then say, ‘Let’s get approval from the federal government for matters of national environmental significance’.

The reason I say this is a new low is that they have gone past that and have already started the works, and they are arguing, perhaps correctly, that the works per se — the lining of the channels, the installation of meters and so forth — in and of themselves have no environmental significance or minimal environmental significance; it is how we use the water operationally afterwards that has the environmental significance. The government has used that, with a compliant federal minister, to say, ‘We are going to build the thing, and then we will ask for environmental approval from the federal minister’. This is all designed to keep the
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politics rolling, to keep pushing the thing along to overwhelm everybody else, to dishearten anybody who might want to put a contrary view, to fight this issue, to stand up, and that is why I say the politics here are absolutely duplicitous.

But they are equally so from the coalition. With the greatest respect to my next-door neighbour here, Mr Hall, who was sincere in the statements that he made, he almost completely ducked the issue of what the coalition would do. He hinted at one point that if there was a genuine audit of the savings and the savings were found to be real, then maybe they could be shared 75-75-75 amongst the three users.

Mr Hall — Simultaneously.

Mr BARBER — Simultaneously. He did not say, ‘That is the coalition’s position’. We just sort of sensed that that might be a good idea. That is not good enough because we are in the run-up to the election now. He talked on a number of occasions about promises that the government had made and broken, but he did not take the opportunity to make any himself. This is the opportunity to do that because we are putting together in this document the bulk entitlement which controls the allocation of water in this basin. It is simply not enough for the wannabe, alternative government — the opposition — to say the government has broken its promises. Here it should be saying, ‘This is the bulk entitlement. This is the alternative bulk entitlement that we will move if we are the government in 18 months time’.

I now turn to the real impacts. There is more than enough information in the proponent’s documents — that is, the Northern Victorian Irrigation Renewal Project (NVIRP) documents — to start to shine a light on the real environmental impacts. Some aspects of that document give us a real and scary picture of what might happen. Other documents simply attempt to model it, fail, say data is insufficient and gloss over it. The Minister for Planning’s conditions then reflect this by saying, ‘We will suck it and see with this project’.

For example, we know a large part of the so-called savings that are meant to be generated here are from outfalls — that is, situations where water is going down an irrigation channel and for various reasons cannot go to the place it is supposed to go. It gets to the end of the channel and overflows into what is normally a low point in the district, which in the past has often been a natural wetland. It has also been a river or sometimes a drain that has been constructed — those drains go somewhere and sometimes they end up in rivers or wetlands. On other occasions the water is sucked out of the drain and used for some other lower value agricultural use — that is, an agricultural use that requires a lower value or reliability of water.

The document details specific instances where these so-called savings will in fact be savings at the expense of the environment. The government is taking water from the environment and then saying, ‘We are great guys. We are giving 75 gigalitres to the environment’. While that might work nicely as a book exercise and may not be able to be interrogated terribly well through a question without notice — and I have asked a number of those over a number of years seeking data on this project as we have gone along — it does not stand up when you start to look at some hard data.

Consider Lake Elizabeth in the Kerang Lakes which prior to this investigation was receiving outfalls of 400 megalitres a year, according to the estimates available. That is 400 megalitres of real water; that is measured water. Remember when we talk about 75 gigalitres, we are talking about a 75-gigalitre entitlement. So far this year, from what I can see on Goulburn-Murray Water’s website, entitlements for every system are shaping up to be zero. With the traditional irrigation season having already started, allocations for the Murray, Broken, Goulburn, Campaspe, Loddon and Bullarook Creek systems are zero. A 75-gigalitre entitlement times 0 per cent allocation equals zero water. The practical effect of this bulk entitlement being passed now for this coming season is zero. That is why the Greens are opposing it: in practical terms, leaving out the process issues I started to address, it makes no difference right now. The government, if it wanted to, could stand up right now and move a motion to defer this debate and enter into some negotiations with the Greens to achieve a genuine environmental outcome and even a better outcome than envisaged.

By the way, it is interesting to look at historical seasonal allocations for different water systems because as recently as 2001–02 a number of these systems were getting 200 per cent of their water allocations. As recently as 2005–06 systems were receiving 170 per cent of their water allocations. In the last two years — taking the Goulburn and the Murray as the two biggest systems — the Murray allocation has fallen from 144 per cent to 95 per cent to 43 per cent to quite possibly 0 per cent this year, while the Goulburn allocation has fallen from 100 per cent to 29 per cent to 57 per cent to 0 per cent as far as we know. That is how fast, from an irrigator’s point of view, this problem appears to have snuck up on the government. From an environmental entitlement point of view, the problem is just as bad if not worse because environmental
entitlements, even when they are high security, suffer the same effects. All the existing environmental entitlements that are sitting there as accounting entries, if you like, in Lake Eildon and other lakes are about to get zero allocations.

Coming back to Lake Elizabeth, it is interesting to note that the outfalls that were historically occurring into Lake Elizabeth had started to be withdrawn by Goulburn-Murray Water even before the NVIRP arrived. In a number of places in this document the NVIRP proponent notes that the impact from reduced channel outfalls as a result of its project is less because Goulburn-Murray Water has already been quietly withdrawing that water. That really got me going, so I invited Goulburn-Murray Water to our Standing Committee on Finance and Public Administration inquiry and put to it that for a number of years now it has been doing projects similar to NVIRP but not as large. I asked if it had ever sought environmental approval from the federal minister. ‘Absolutely’, it said, but when it went away and checked, it turned out it had not. It had written to the federal environment minister saying, ‘This is what we are intending to do’, and he said, ‘Well, if you do not do a formal referral, it is your risk. It is your risk that your project could be found to have a significant impact on matters of national environmental significance and therefore you would be in trouble’.

I then went away and did an FOI request on this so-called strategic measurement program that Goulburn-Murray Water had been running prior to NVIRP coming in and introducing its program. It was able to give me details of the water that it had been measuring since 2006–07 for dozens of different outfalls. In some cases we were able to match those outfalls to wetlands, particularly those with high environmental values. In other cases they go into rivers and may form part of the environmental flow of rivers. In yet other cases it is not clear where they go. When you tot it up, it turns out that 14 gigalitres of water was going out of the system when Goulburn-Murray Water first started monitoring these outfalls. Through monitoring and other activities that Goulburn-Murray Water has done, it has got that down to 5 gigalitres. When it added more monitoring in another set of outfalls, it found 17 gigalitres going out of an outfall; as I said, it has reduced that down to 5 gigalitres.

Something like 11 gigalitres of water has already been withdrawn from wetlands, rivers and possibly other parts of the environment without federal environmental approval. It was a precursor. It was a pilot project to this NVIRP project, if you like, and it was done on the sly. We have to remember when we are talking numbers like this that this is 11 gigalitres of actual water. Depending on which system it was in, if that system at that time was on 50 per cent allocation, it could have been double that amount in terms of allocations if we are trying to compare that to 75 gigalitres. I think it is a deadly serious issue to have a government entity operating out there without federal environmental approval and just thinking it can do things on the quiet. It is only because this NVIRP project, which is much bigger in scale, came along that Goulburn-Murray Water started to get touchy about federal environmental matters.

However, as I said, the federal minister has not yet received a referral for this project. Nonetheless the government wants the Greens to pre-approve the water. It will do the EES later. It will not even be a state EES; the government will just measure it as it goes and provide some water for those wetlands — in fact, the government will not even assess the environmental values right now.

The government could have, through its lead speaker, jumped up and said it is doing a number of things that the Minister for Planning required it to do. I quote from his conditions:

Before operation of relevant works commences, NVIRP must prepare a framework for protection of aquatic and riparian ecological values through management of water allocations and flows … having regard to written advice to be sought from the expert review panel …

I cannot find any evidence that that panel has been created. It may have been, but its outcomes are not available to us. It is not on the NVIRP website, and I cannot find it anywhere else. The conditions continue:

… and following consultation with the Minister for Environment and Climate Change.

The minister was sitting in the chamber a minute ago, but I did not hear him speak on this matter.

The following condition is the kind of thing that might start to encourage us that there is an environmental outcome here. It requires:

A statement of environmental commitments or performance requirements in relation to managing the ecological consequences of hydrological changes arising from implementation of NVIRP, including to avoid any contribution to diminishing ecological values in waterways and wetlands. This statement is to describe arrangements for the sourcing, allocation and management of water required to mitigate the project’s potential ecological impacts.

That is the statement I would like to see, but I do not think it is there. If it were, we would be specifically embracing its outcomes in this bulk entitlement.
Elsewhere in the bulk entitlement there are some very specific provisions relating to matters that we are not contesting here today. One says that savings from the Wimmera-Mallee pipeline will be allocated to Little Lake Boort via the Waranga Western Channel up to a total of 300 megalitres during May to September inclusive every year. That is a very specific entitlement that will pass today because it is not part of what we are attempting to disallow and it is designed to protect Little Lake Boort. We have no such guarantee for Lake Elizabeth. Those who are interested in Lake Elizabeth might be aware that it was originally the home of a particular fish which is a favourite fish of Mr Drum’s — the Murray hardyhead. This fish became locally extinct in Lake Elizabeth a couple of years ago, around about the same time that Goulburn-Murray Water was withdrawing water. It continues to withdraw water, and this project proposes to continue this without the guarantee of putting water back.

We could go through every one of these high-value wetlands — these 23 priority wetlands, as they call them — but we have to be aware that this assessment itself started with thousands of wetlands across the whole Goulburn-Murray area. The government then rejected most of them for further study by saying, ‘We will just look at the high-value wetlands’, and reduced the number to under 100, and then it ditched a bunch of others and said, ‘There are really only 23 that are affected in this way, so what we will do is come up with these environmental watering plans afterwards’. Government members have come in here and asked, ‘Don’t you know we are giving 75 gigalitres to the environment?’. No, I do not know. This bulk entitlement reads more like a press release. It simply gives out shares — 75 gigalitres to Melbourne, 75 gigalitres to the environment and 75 gigalitres to irrigators — and says, ‘Trust us. We will do the right thing’ ex post facto.

If you were going to trust the government on this, you would go back to an earlier issue — Ms Broad has quite a history on this — and that is the Snowy. Does Ms Broad remember that promise? It could not have been a more high-profile exercise. The promise was that 21 per cent of the Snowy River’s flow would be restored. The then Premiers of New South Wales and Victoria, Bob Carr and Steve Bracks, went up to the headwaters, had their photo taken, jumped over the river and opened up the sluice gate — even the Man from Snowy River was there. It could not have been a higher profile exercise. The promise was that 21 per cent of the Snowy River’s flow would be restored. The experts’ request was for 28 per cent as a minimum — as usual, you get even less than what the experts say is a minimum. What are we getting today? A few per cent. You have to scratch your head. How can an exercise like that, which attracted so much fanfare, deliver so little 10 years later? Think of the Snowy when you hear that claim about 75 gigalitres, because this measure will be about as effective.

There are issues about the calculation methods and how the savings are derived. Again it is all ex post facto. It is not clear up to this point whether the Minister for Water himself has actually complied with the conditions for approval of the Minister for Planning, let alone the conditions that the federal government might have. It is certainly not clear to me what alternative the coalition is offering. It could have announced another policy. It could have given someone an exclusive last night, and then this morning we would be coming in here and saying, ‘This is how the coalition will have the bulk entitlement so as to make future provision for water coming down the north–south pipeline’. According to Ms Broad, the Leader of the Opposition in the other place, Mr Baillieu, said, ‘in a crisis, we look at all options’. It would be possible to write this bulk entitlement to include triggers whereby the water could be used in a particular crisis, but we do not have any details about this. It is not good enough in the run-up to an election to simply treat this issue as a political football with the two alternative governments trying to wedge each other, then getting wedged and then trying to wedge again, because I have seen those exercises before. The people who get wedged are the people in the wider community — and the environment, but the environment rarely has a voice.

For that reason the Greens will support the disallowance of particular sections of the bulk entitlement. Members of the coalition were well aware that the Greens would have moved this motion if coalition members had not. However, neither that outcome nor what the government is offering is satisfactory; neither option offers any warranty to the environment or, for that matter, the livelihoods of people in towns and communities who depend on water. Neither option guarantees a future for the Goulburn Valley nor offers hope or a way forward, even in the sense that it will be a difficult crisis but we have a direction for a way through. I get the sense this issue is not over.

The government had the option to sit down with the Greens and go through these issues. We have requested information through freedom of information, we have asked questions without notice, we have raised matters in the media, we have written to federal minister Peter Garrett, and we have been actively engaged in this issue. But because it is a politically derived project,
Ms LOVELL (Northern Victoria) — I rise to speak on the disallowance motion that has been brought forward by the coalition. Members of the coalition did not have the disallowance motion moved lightly. It is a very serious issue; we have given it serious consideration, and we have decided to move a disallowance of parts of the entitlement as gazetted in the *Victoria Government Gazette* of 28 May 2009.

When we announced our intention last week the government’s response was flippant. As Mr Hall described earlier, without considering the coalition’s position and the reason the coalition had brought this matter forward, government members decided they would say, ‘If we cannot do it that way, we will do it another way’. They were not even prepared to come here today and listen to this debate before they went out and dismissed this disallowance motion.

Firstly, I support the work that has been done in the modernisation of irrigation infrastructure. The northern Victorian modernisation project should be split into two parts: infrastructure renewal and the north–south pipeline. The north–south pipeline does not fit into that project. The government has tied the two together to make them appear to be one project, but they are two completely separate projects.

I have been advocating and lobbying this government for the modernisation of irrigation infrastructure since I was first elected in 2002. We in northern Victoria have known for many years that our infrastructure is old and that it leaks and loses large amounts of water; however, in recent years those losses have been significantly less than the amount of water loss upon which this government has predicated its entire project.

This government has said 900 billion litres of water are lost. In fact in *Hansard* the Premier has said that 900 billion litres of water is lost every time the system flows. That is wrong. We know that 900 billion litres of water is not lost every time the system flows; in the last two years system losses have been significantly lower. Over the last two years those losses have been less in total than the amount of water that stages 1 and 2 of the government’s modernisation program are estimated to save.

In 2007–08 about 450 billion litres of water were lost in the system. That is half of what the government claims is lost year in, year out. In the 2008–09 irrigation season around 343 billion litres were lost from that system. The government’s claim of what it can save exceeds the amount of water that has been lost from the system over the last two years. Clearly the savings are not there for the government to be able to redirect the water in the manner in which it says it will do.

Under oath the government’s most senior water bureaucrat, David Downey, had to admit that the losses are not in the system, therefore the savings cannot be achieved. The government has misled the people of Victoria on the amount of water that will be saved through this project.

There are many reasons for the coalition believing the government’s water policy is flawed, and they have been well canvassed over the past two and a quarter years since the government’s grand announcement of its water plan. However, it is not for the reason that we believe the water plan is flawed that coalition members have brought this disallowance motion before the Parliament. We have brought the debate into the house because we have serious concerns about the honesty of this government. It is because this bulk entitlement amendment, which we seek to disallow parts of, breaks commitments this government has made to the people of Victoria.

The first commitment the government has broken is contained in its draft *Central Region Sustainable Water Strategy*, which was released in April 2006. Page 58 of that document states:
The government does not support importing water from north of the Great Dividing Range to meet Melbourne’s future needs.

Before the last state election government members were saying, ‘We will not take water from the north of Victoria to supplement Melbourne’s needs’, yet shortly after the election the government broke that commitment — it was the first commitment to be broken. There are three other areas of the bulk entitlement amendment that was gazetted on 28 May that opposition members have serious concerns about.

Our first concern is that water that was previously committed to the iconic Snowy and Murray rivers through environmental flow agreements with the commonwealth and other Murray-Darling states will now be redirected to Melbourne via the north–south pipeline. This is in breach of previous commitments that have been given by this government. The government promised to provide savings from the Central Goulburn 123 & 4 modernisation project to protect the health of the Snowy and Murray rivers through the Water for Rivers agreement. Instead, that water, which was intended for environmental flows, will now be redirected to Melbourne, breaking the government’s commitment to improving the health of those rivers.

I will not go over all of the aspects of those savings; Mr Hall went in quite some detail through all of the savings that were to be redirected to the Murray and Snowy rivers through the various projects that are being carried out — that are now going to be redirected to Melbourne. However, it is disappointing that the government, after having made a commitment to the Victorian people to restore the health of the Snowy and Murray rivers, is now going to redirect that water to Melbourne for its political purposes.

There is a second serious concern we have with the bulk entitlement amendment. Previously it had been stated that savings from stage 2 of the modernisation project being funded by the commonwealth would be shared equally between irrigators and the environment. I quote from a press release from the Premier dated Wednesday, 26 March 2008, entitled ‘Murray-Darling agreement a win for Victorian farmers and the environment’, which states:

As part of the funding arrangement with the commonwealth, the water savings gained from stage 2 will be shared equally by irrigators and the Murray River.

What does the actual bulk entitlement amendment say about that? Here is another broken commitment, because the bulk entitlement amendment says:

Northern Victoria infrastructure renewal project stage 2 will be shared based on future negotiations with the commonwealth.

There was a commitment from the state it would be 50-50 — shared between irrigators and the environment — and now we have the government gazetting an order that sharing will be based on future negotiations with the commonwealth. We therefore do not know where those savings from stage 2 will end up going. Will they go, like stage 1, one-third, one-third and one-third to Melbourne, the environment and irrigators? Will they remain 50-50 between irrigators and the environment? Will they go totally to the environment? Or will this government and the commonwealth negotiate for all of those water savings to be redirected to Melbourne, ignoring the environmental needs of rivers in northern Victoria and of our irrigators, who underpin the economy of this state?

The irrigation water that is provided through the Goulburn-Murray system underpins a regional economy of about $9 billion. It provides a greater benefit to this state than that; 40 per cent of the exports that go out of the port of Melbourne come from the dairy industry, which is largely located in northern Victoria. In fact in northern Victoria our dairy industry produces more than 25 per cent of the nation’s milk. So the irrigation water makes a significant contribution to that industry and the exports of the state through the dairy industry. It also does so through our horticultural industry and through the large growers of fruit, which are of course in the Goulburn Valley. The cannery of our iconic SPC Ardmona is also in the Goulburn Valley and provides a tremendous contribution to the economy of this state.

The third concern we have with this bulk entitlement is that the order fails to establish a proper measure and audit process for the water savings made from the food bowl modernisation process. That represents the government failing to address one of the key criticisms of the Auditor-General, who said there is a lack of rigour around the way the water savings will be calculated. It also breaks commitments I know have been made to many of the local people who are working on the northern Victorian irrigation renewal project. They have been given commitments that there will be an independent audit of the savings achieved from stage 1 before the calculation of what water is to be sent to Melbourne and its transfer. However, this bulk entitlement breaks those commitments, because it says water savings will be ‘calculated in accordance with the calculation methods approved by the Minister for Water’. Therefore any method the minister approves...
for calculating savings will be what is used to calculate
how much water will be given to the environment, to
irrigators and to Melbourne. It is not an independent
audit process that will tell us if this project has been
successful and provide for an equal sharing of that
water. That is a serious breach of a commitment given
to good people in northern Victoria who are working
with this government on the northern Victoria irrigation
renewal project.

The breaking of these commitments is serious, yet the
government is very flippant about it. In her contribution
Ms Broad tried to gloss over many of these things. This
government really struggles with reality at times. I do
not know how members of the government sleep at
night knowing how they have misled the people of
Victoria and knowing what they are doing to the people
of northern Victoria.

As has been outlined, northern Victoria has a serious
shortfall of water. This year irrigation allocations are at
zero, and they are still at zero. The irrigation season
should commence in three days, on 15 August, but the
irrigators have been told their allocations are at zero.
The reason the allocations are at zero is that we do not
even have enough water in the storages to operate the
system: at the moment we are 397 gigalitres of water
short of even being able to operate the system. That is
397 billion litres of water required to flow into the
reservoirs before we can even get an allocation for the
irrigators, but that does not mean that once we have that
397 billion litres of water irrigators will get their full
allocations. All it means is that they will be given a
severely reduced allocation.

Last year our irrigators received only 35 per cent of
their supply. They are on far greater water restrictions
than Melbourne residents are on. The Goulburn system
alone, a system from which the government says it will
take the 75 billion litres of water, is actually 204 billion
litres of water short of being able to put even 1 litre of
water through the system this year. It is a serious
situation.

Northern Victoria has nowhere else to go for its water.
Its water comes from the Goulburn and Murray
systems. It does not have the benefit of being near the
sea and being able to use desalinated water. It does not
have the economies of scale needed for the collection of
stormwater and the recycling of water that Melbourne
has. Melbourne has other answers, but northern
Victoria has the Murray and Goulburn rivers — and the
system is already failing. It is not capable of providing
the water needed to sustain the traditional users of the
system, and yet the government is prepared to take
water out of the system and send it to Melbourne for its
own political gain, without any thought for the people
of northern Victoria.

We know the government has total disregard for the
people of northern Victoria. We know the Minister for
Water, Mr Holding, has called us ‘quasi-terrorists’ and
has said we are a sorry bunch of people. We know the
Minister for Energy and Resources, Mr Batchelor, has
referred to us as ‘ugly, ugly people’. We know that the
two Labor members of Parliament who claim to
represent northern Victoria hardly ever visit their
electorate and that even when they do they do not grant
meetings with constituents.

The Plug the Pipe people had to write letters to the
editor of a newspaper to get a meeting with one of those
members, Kaye Darveniza. She had flatly refused to
meet with them, and it was only after they started
writing letters to the editor criticising her for not
meeting with constituents that they were granted a
limited audience. They were not allowed to have a large
delegation and there was a limited time frame for that
meeting. Only last week I had another constituent tell
me he had been told he could not have a meeting with
Ms Darveniza. He had prepared a paper on firefighting
preparedness in this state and wanted to speak to
someone from the government about that paper. It is a
very serious issue in northern Victoria, given what
many of our communities went through on 7 February,
and yet there was no chance he could speak to his local
Labor member of Parliament. Of course he could speak
to his local coalition members of Parliament, but the
local Labor members of Parliament flatly refused to
meet with him.

I was disappointed in Ms Broad’s presentation this
morning. Her speech showed a total disregard for the
community. It showed a total lack of understanding of
how the people of northern Victoria feel about this
issue. I am looking forward to hearing Ms Darveniza’s
contribution, because I believe it will also show a total
disregard for and a total lack of understanding of the
concerns of the people of northern Victoria. Every time
these two Labor members of Parliament, who claim to
represent northern Victoria, get to their feet and speak
about water they lose votes for the Labor Party in
northern Victoria. That is why I look forward to hearing
their contributions on water — because they will show
they have no understanding about the electorate they
claim to represent.

Mr VINEY (Eastern Victoria) — What is absolutely
clear about this matter is the degree of politics that is
being played around the issue of water. It is not a great
surprise to us, because we saw what The Nationals did
in relation to water issues in Morwell in Gippsland at the last election.

I say as an opening remark that The Nationals and the Liberal Party have been putting propositions to the community that try to walk both sides of the street. They say that they are against the desalination plant and that they are against the north–south pipeline and, as a consequence, the northern irrigation project. In the last election they said they were against recycled water and against recycling water out of the eastern treatment plant. The only way left for The Nationals and the Liberal Party to secure water in Victoria is to dam the Mitchell River, which is essential for the life of the Gippsland Lakes. It is the only river system in Victoria that does not have a dam.

You cannot have everything. You cannot oppose desalination, the north–south pipeline, the northern irrigation project and the recycling of water and then say you will not dam the Mitchell River — because that is the only river system left. That is the hypocritical position they want to hide from. The shabby politics being played out by the opposition on this issue is a disgrace. They are trying to tell people they have one position on water that is absolutely impossible to implement, because it is everyone’s water.

Business interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

Insurance: fire services levy

Mr VOGELS (Western Victoria) — My question is directed to the Treasurer. Will the Treasurer tell the house the size of the stamp duty windfall to be collected by the Victorian government due to the impact of rising insurance premiums on the fire services levy?

Mr LENDERS (Treasurer) — I thank Mr Vogels for his question about the fire services levy. It is a complex question because the fire services levy, as Mr Vogels well knows, is a levy we inherited from the Kennett government. It was administered by two Nationals ministers in a row — Mr McNamara and Mr McGrath — and that levy has been received. The tax treatment has not changed. It was a proposal to fund the fire services which I would have thought had bipartisan support in this place.

Firstly, let us put into context what the fire services levy is. Going back to the start of insurance in this state, it was conceived as a type of risk-based formula which is based on the value of a property and the obligation of the fire brigades to come. To assist the fire brigades, some of their costs are passed on to the insurance industry, which it then passes on. That is the context of it.

The fire services levies have always been treated thus. There was no proposal from the Kennett Liberal-Nationals government or either of the two Nationals ministers — Minister McNamara or Minister McGrath — to make any variation to that scheme, and it is a little bit rich that at this particular juncture the opposition parties have suddenly decided they have issues with the formula. They were extraordinarily mute during their years in government, when The Nationals administered that portfolio, and they are extraordinarily mute when the services funding from the insurance industry levy is distributed to Country Fire Authority (CFA) brigades in Mr Vogels’s electorate. Every time a fire station is funded a portion comes from this levy. Every time a new tanker is supplied a portion comes from this levy. Every time there is preparation going forward a portion comes from this levy.

In addition to the levy, Mr Vogels’s question asked about the use of the stamp duty on top of that levy. That stamp duty goes into the Consolidated Fund, which, firstly, funds 22.5 per cent of the regular costs of the CFA and, secondly, goes towards funding a portion of the Metropolitan Fire Brigade. People can say, ‘What about this tax?’. No tax is a popular tax. What we have here is a stamp duty. If Mr Vogels is suggesting that we should not put a stamp duty on certain areas, then I suggest to Mr Vogels that he go back to his communities and ask: ‘What part of the CFA are we not going to fund? What aspects of bushfire prevention are we not going to do?’.

At least there is one person being honest on the opposite side — that is Dr Sykes, who came forward in January and said we needed a property levy to make this function. If Dr Sykes is speaking for the coalition in saying that we should fund this like it is funded in Western Australia and that we should fund it with a flat levy on every property in regional Victoria, then the coalition should come clean and say so.

I say to Mr Vogels that the duty on insurance premiums was 10 per cent when we got into government, it was 10 per cent when his party was in government and it was 10 per cent when his Nationals friends — ‘friends’ is probably a bad term for Mr Vogels, because we know what happened in Warrnambool in 1999; they were not too friendly then — were the ministers for emergency services from 1992 to 1999. They had the 10 per cent stamp duty, they had the fire services levy and they proceeded with it.
Every cent and more from that levy on insurance has gone into servicing emergency services in this state. If we look at what has happened in the state budget, we see that $986 million has gone into bushfire response. Without taxes you cannot provide that service. So I say to Mr Vogels: it is a longstanding policy and it is a sound policy. If he has a better suggestion — and we are all ears to any better suggestion — let him come forward with it. But he should be honest with his electorate. Does he support the CFA? If he does, who is he going to tax if we change this system?

Supplementary question

Mr VOGELS (Western Victoria) — I thank the Treasurer for his answer. However, the question requested him to tell the house what windfall the government will receive, and he did not answer that question at all. Is it true that it will be somewhere around $10 million?

Mr LENDERS (Treasurer) — This is clearly part of the political campaign being run by the coalition in regional Victoria. This is very much a case of The Nationals’ tail wagging the Liberal Party dog; it is very much a case of that. Every dollar from this levy goes into the CFA. If Mr Vogels wants to call it a windfall, with the implication that it is something the government is squandering, and if he thinks it is $10 million, then Mr Vogels should get up in this house today and say which part of the $986 million from this budget alone that is supporting fire prevention he wants to cut. If he is not prepared to say which part of the $986 million committed so far to fire prevention and fire recovery is inappropriate, he should not come in here with terms like ‘windfall’ and play dirty politics with what has been a bipartisan issue inherited without variation from Nationals ministers Pat McNamara and Bill McGrath.

Bushfires: preparedness

Mr VINEY (Eastern Victoria) — My question is to the Minister for Environment and Climate Change, Gavin Jennings. Can the minister update the house on any recent announcements made by the Brumby Labor government which demonstrate the actions it is taking to prepare Victoria for the forthcoming fire season?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Mr Viney for his question. I am very pleased to follow the Treasurer’s last answer to a question raised by Mr Vogels about the way in which funds that have been provided by the Victorian government and funds that may be secured through the fire insurance levy may support our cumulative capability and capacity to deal with fire mitigation to assist our communities in preparing for the fire risk and to enable us to fund and adequately resource our emergency response.

In the days leading up to the community receiving the interim report from the royal commission I remind the house that in February when Commissioner Teague received his commission he recognised the importance of the state of Victoria preparing adequately for the fire season and embarking upon a range of commitments and capability building from that time to this fire season.

The state of Victoria, with its agencies, has been absolutely determined to get on with that work. As members may know, in terms of the recovery effort we have seen more than 3000 dwellings and properties cleared up through the recovery program. We have seen more than 4600 kilometres of fences restored. We have seen a huge effort in supporting households that may have been dislocated and had their world turned upside down through the incidence of fire. More than 5000 cases have been managed, and families have been supported.

We have seen the generosity of Victorians, Australians and people from around the world generate $382 million worth of support for members of the community who have had their lives so adversely affected by the tragedy of the bushfires. Significant financial support has been given to those members of the community.

The Treasurer, in his earlier answer, said the Victorian government had made a number of commitments in funding going forward — something of the order of $986 million was the figure the Treasurer identified. What that money has been allocated to is a variety of things, things which include a program of restoring and rebuilding Country Fire Authority fire stations throughout the state. Sixty stations have been identified for the next two years. We have commitments to 87 new appliances that will add to the armoury of the 620 existing appliances that are available to the CFA.

We have new radio equipment and telecommunications systems available to CFA, SES (State Emergency Service), ESTA (Emergency Services Telecommunications Authority) and DSE (Department of Sustainability and Environment) officers. We anticipate that we will enhance the information services available to the community through the Victorian bushfire information line and a consolidated website that will bring quality real-time information to our community into the future.
Beyond that we have embarked upon an extensive and ongoing program of fuel reduction activities in the state. We have driven it well into winter, which is far beyond the normal limits of this program. We have undertaken 608 fuel reduction burns this calendar year. The fire operations plans for spring and next autumn are about to be distributed through communities so we can have community engagement about the nature of that burning program into the future.

Beyond the activities I have just outlined, I joined the Premier last Friday to make an announcement that DSE is advertising, on 15 August, 700 project firefighter positions. We intend to recruit immediately and bring those people on board to do important activities in establishing strategic fuel breaks, reducing the fuel load and assisting our communities in developing township fire protection plans that will be put in place this summer.

These project firefighters in some instances will be trained to be repellers — those who will go on the fire line as the first emergency response to deal with any imminent threat of fires throughout the community. We understand these 700 project firefighters will add to the approximately 2700 full-time professionals we call on through the network of government agencies — DSE, Parks Victoria and the Department of Primary Industries — who are augmented by the significant contribution of community volunteers through the SES and the CFA. It is quite an extraordinary capability that is being brought to bear. Last year we allocated more resources and effort than we had ever done before, and this year we have significantly increased that contribution and capability.

Like all members of the Victorian community, I am keen to receive the advice of the royal commission in relation to its recommendations and to make sure we are on track to meet its and the community’s expectations of our firefighting capability and particularly our mitigation effort. I look forward to this Parliament and the community considering the recommendations of the commission and partnering with all elements of our community to reduce our fire risk in the coming years. The overwhelming commitment of the Brumby government is to make sure we acquire our responsibilities and build our capability to be resilient at a time of fire risk into the future.

**Desalination plant: funding guarantee**

**Mr Rich-Phillips** (South Eastern Metropolitan) — I refer to the government’s decision to provide a Treasurer’s guarantee of syndication for the desalination project, and I ask: what criteria have been established which would trigger the use of that guarantee?

**Mr Lenders** (Treasurer) — I thank Mr Rich-Phillips for his question. He refers to the Treasurer’s guarantee for the syndication process for the desalination plant. The government, at a time of global financial crisis, has looked at the largest public-private partnership in the world in the last 12 months. It is interesting that the scale of the Wonthaggi desalination plant is of such magnitude that it is the largest single project undertaken in the world in the last 12 months.

It is a large project because of the extraordinary importance of providing fresh water to Melbourne, to adjoining regions in Gippsland and, with the grid that is developing, ultimately to areas a lot further than Melbourne. When there is a shortage of water, converting salt water to fresh water gives you water that you have no certainty of otherwise.

It is an extraordinarily important and large project, but at a time of global financial crisis there has been a big debate in the financial community as to whether or not the correct number of banks could be syndicated to finance such a project. It is fair to say, if you look at the financial media, that nobody would have anticipated that this project would have got more than $500 million in debt or equity. That was pretty much what the consensus would have been.

The successful bidder has gone forth — and obviously there is a financial closure and a range of things still to happen — and as part of seeking the appropriate and approved amount of funding we needed to look at it as an exception to the normal Partnerships Victoria process. In these circumstances what would governments do?

The syndication is in place, and I think in all probability it will not need to be used, but given that there were two consortiums collecting banks together to provide the debt — let us leave the equity aside — for this particular project, the issue of the syndication and the guarantee means that the successful consortium has a chance to seek finance from the unsuccessful consortium’s banks.

The syndication simply means that in the unlikely event of that finance not being available, the government would step in temporarily, essentially as the last bank. That is what is out there, and the criteria for it are the normal criteria you would have for what I have described.
Supplementary question

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I thank the Treasurer for his answer. Is the state’s commitment under the guarantee capped, and if so, at what level?

Mr LENDERS (Treasurer) — The state has, as I said, agreed to the syndication and guarantee in that area. I am happy to take it on notice for Mr Rich-Phillips, because I do not want to put into this house what may at this stage be commercial in confidence until financial closure, and then, after financial closure, find it being published. In good faith I will take it on notice and give Mr Rich-Phillips what information is publicly available on that amount. I am happy to do that for Mr Rich-Phillips, but the key criterion is what the shortfall is, and I think the probability of a shortfall is not high.

Weeds: control

Mr ELASMAR (Northern Metropolitan) — My question is to the Minister for Environment and Climate Change, Gavin Jennings. Can the minister outline to the house how the Brumby Labor government, in partnership with local councils, is taking action to protect our natural environment on the urban fringe of Melbourne from the threat of weeds?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Mr Elasmar for his question and for the opportunity to talk about a program that perhaps may not draw the attention of the chamber or the community all that often but is an extremely important issue, and that is weed infestation in terms of the quality of the natural environment in and around the urban fringe. Now that Mr Elasmar has asked me this question I will take the opportunity to draw attention to the government’s recently launched urban fringe weed management initiative — a $4 million program which will operate over the next four years. The government intends to work with local governments, local communities and organisations that have partnering, leveraging and funding capability across our community to enhance our weed protection programs.

The initiative builds on some successful models we have had in the past. The Department of Sustainability and Environment has worked in cooperation with community organisations and local government in the last few years, and with catchment management authorities, on undertakings such as the Southern Ark, the Otways Eden project and the Mornington weed management project. Most recently the government has entered into a collaborative arrangement with the Shire of Yarra Ranges. The state of Victoria and the shire will partner up and each provide $250 000 over the next four years to try to make sure we eradicate weeds in that municipality.

We are doing that by applying a model that is very successful. We have to be mindful of biosecurity issues. You can manage a biohazard threat such as weeds across the community by trying to make sure they are quarantined and contained so that they do not spread and proliferate throughout the landscape. We apply a landscape model where we see the benefit of public land-holders, private land-holders and local government working together — whoever has tenure of the land shares the responsibility and the capability across the entire integrated landscape, rather than seeing it as discrete parcels of land to be managed.

The government thinks that approach is very useful in trying to rid the landscape of weeds. It builds a model of sharing the financial load and building a collective capability between the state government and its agencies, local government, community organisations and local land-holders. This is a model we think is very successful, and we look forward to applications coming to us from local communities, through local councils, to partner up through this program into the future.

Desalination plant: funding guarantee

Mr RICH-PHILLIPS (South Eastern Metropolitan) — My question is again to the Treasurer. I again refer to the Treasurer’s guarantee of syndication for the desalination plant, described by the Treasurer and the government as a lender of last resort facility at commercial rates, and I ask: what disincentive premium will the government impose to ensure that that facility is used only as a lender of last resort and not as a lender of first convenience?

Mr LENDERS (Treasurer) — Again I thank Mr Rich-Phillips for his question. There is nothing the government would like more than not to be involved at all in this. This is not something of convenience, because it is the lender of last resort. In the end it comes down to where the commercial rates are going. These are issues that need to be worked with. This is not providing cheap credit; this is filling a vacuum that may occur.

The reality is that Australia has the fourth largest amount of superannuation or pension funds in management anywhere in the world. We can see the magnitude of that — the fourth largest volume of funds in management is in Australia. This is a legacy of the Hawke and Keating governments’ compulsory
superannuation policy of the 1980s, which addressed more than anything the constant blight on the Australian economy, which was that, frankly, we were not a nation of savers compared to, say, China, Japan, Korea or numerous other places. Australia was not a nation of savers. The behavioural change that resulted from the Hawke and Keating governments’ compulsory superannuation policy altered that. At the moment Australia has the fourth largest pool of funds in management in the world, and between 60 and 70 per cent of those funds is managed through Melbourne. I have absolute confidence that there is a lot of money available from superannuation funds in particular that will want to invest in good, long-term infrastructure projects like the desalination plant.

Mr Rich-Phillips’s question is a legitimate one, but part of it is hypothetical. I am confident that this is a last resort. There is nothing prescribed financially about any of this — about why you would go down this path if you are paying the same rates as other banks are — and other institutions want to be in there for the long-term investment of funds.

I have been following quite closely the performance of some superannuation funds. One of the main non-government school super funds in the six months to 31 December returned a 15 per cent negative result, and in the six months to 30 June returned a 2.7 per cent positive result. What we are seeing is a large number of bodies that want to invest. They have large amounts of superannuation money for which they are trying to find something more stable, as Mr Rich-Phillips will appreciate, than necessarily being out there in the equities market. A solid infrastructure investment is a commodity that is being sought by fund managers, so I am absolutely confident that there is no disincentive. In fact the probability is that the government will not even need to exercise this guarantee of syndication.

Supplementary question

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I thank the Treasurer for his response. If the government is assuming the ultimate financing risk for the project by virtue of stepping in if no-one else will, what risk transfer to AquaSure remains to justify the project being built as a public-private partnership?

Mr LENDERS (Treasurer) — I would be much more comfortable having a longer discussion with Mr Rich-Phillips after financial closure on these particular matters. I will say two things to Mr Rich-Phillips on this matter. Firstly, if we are talking of what risk transfer there is to AquaSure, it has the risk that if it rains and rains for the next 30 years in Victoria, which is highly unlikely, it — and not the state — bears all the risk. Secondly, from where the government stands, if we did not go through a PPP (public-private partnership) arrangement on this particular project, the government would wear all the risk for the project — all the risk, in total, no exception.

What we are talking about here is the potential through syndication of picking up debt, as the last person, on some of the last amount and then clearly exiting out of there when the superannuation funds want to come in. Mr Rich-Phillips asks, ‘What is the risk?’ It would be total if we did not have a PPP environment, and it is a lot less than total when we have this PPP environment.

I wish I could be more precise with Mr Rich-Phillips, but until we actually know whether the syndication will be drawn upon, and if so by what quantum, I cannot be more precise with him in my answer. I can be that precise: I can say it goes from total risk in a government-built and operated project to much less risk in a PPP — and I will be more precise after financial closure.

Automotive industry: government support

Ms TIERNEY (Western Victoria) — My question is for the Minister for Industry and Trade, Martin Pakula. Can the minister update the house on the latest developments in Victoria’s important automotive industry, particularly in regard to Victoria’s major automotive manufacturers?

Hon. M. P. PAKULA (Minister for Industry and Trade) — I am always pleased to receive a question from Ms Tierney on the automotive industry, because I am well aware of her lifelong interest in it. It gives me pleasure to be able to inform the house that last week I was able to join the outgoing chairman and managing director of General Motors Holden, Mark Reuss, the federal Minister for Innovation, Innovation, Industry, Science and Research, Senator Carr, and the Deputy Premier of South Australia, Kevin Foley, out at Holden at Fishermans Bend for a new and exciting fuel-efficiency announcement.

From September Holden is introducing two new, next-generation V6 engines, incorporating brand-new technology known as spark ignition direct injection (SIDI), which will be made standard on the locally built Commodore sedan, Sportwagon, Caprice and Statesman range as well as the SV6 Ute. With that new technology, the Commodore Omega in official testing used just 9.3 litres of fuel per 100 kilometres. That is a 13 per cent fuel-efficiency saving on current models,
making the new engine more fuel efficient than some current four-cylinder vehicles.

That all means substantial savings for consumers. It means less money at the petrol pump, but importantly it also means lower carbon emissions on the road. At 9.3 litres per 100 kilometres, Holden estimates that a motorist travelling an annual average of about 20 000 kilometres could save about $325 at current petrol prices — but also produce 600 kilograms less carbon emissions.

The Victorian government welcomes Holden’s announcement. We are absolutely delighted that those two new world-standard engines will be built right here at Holden’s Fishermans Bend plant and that they will be fitted to Australian-built Commodores.

Mrs Coote interjected.

Hon. M. P. PAKULA — The initiative, Mrs Coote, represents a significant commitment to investment in Victoria’s vehicle industry. It represents a significant investment in a more sustainable vehicle industry for this nation, because, as we have said before, fuel efficiency is at the heart of sustainability and sustainability is at the very heart of the future of the automotive industry in this country. There have been a number of examples over recent weeks which demonstrate that the industry understands that and is not prepared just to respond but is taking concrete action.

Members will have seen last week’s announcement by Holden and heard about the development stage of the new Cruze. There was also the recent mission to China by ministers Crean and Carr where they were able to announce a significant uplift in the sale of engines to China. We saw the $230 million new sustainable-engine announcement by Ford only a few weeks ago, and with more good news for our local industry the announcement by Ford and by Toyota of their intention to scrap down days for the rest of 2009. Toyota is in the midst of preparations for the new Toyota Camry.

All of those initiatives demonstrate that our automotive manufacturers and the component industry that supplies them are embracing the fact that a fuel-efficiency dividend is going to be the thing that powers the next generation of automotive products.

Through the Victorian automotive manufacturing action plan, through our manufacturing statement and through our collaboration with the commonwealth in the delivery of its $6 billion New Car Plan for a Greener Future, we are doing our bit to support local manufacturers and local component suppliers, unlike some of those opposite who want to leave this industry for dead.

We have heard former Premier Kennett’s comments about letting the industry wither; we have heard the comments of Mr Davis’s former staffer, Mr Wilson, who said, ‘Let the industry wither on the vine’; and now we have the opposition’s federal counterparts threatening to block the commonwealth’s Green Car Plan in the Senate.

On the one hand we have a government committed to the future of the industry — a government committed to a more fuel-efficient, environmentally friendly and sustainable industry for Victoria’s automotive future — and on the other hand we have an opposition that would just let the industry wither and die.

Planning: growth areas infrastructure contribution

Mr GUY (Northern Metropolitan) — My question is to the Minister for Planning. On 5 August the minister told some two dozen residents at Melton who are impacted upon by the growth areas infrastructure contribution that he will now rezone these residents out of the UGB (urban growth boundary) if they do not wish to be included in it. I ask the minister: what processes will the minister now put in place to ensure that this site-by-site rezoning will be available to all land-holders in the investigation area who now do not wish to be incorporated in the new UGB?

Hon. J. M. MADDEN (Minister for Planning) — I welcome Mr Guy’s question and I welcome his interest in my attendance at an event recently when I was confronted by a number of irate land-holders out in the Melton corridor. I stepped out of the car, I walked up to those land-holders — and no doubt they were anxious about the potential of paying $95 000 per developable hectare when the land is brought into the urban growth boundary — and I made the offer to them. I said that if they sought to not have to pay the contribution, if they wanted to have their land not rezoned, I would be happy to receive their details and have those matters reconsidered.

Funnily enough, nobody offered me their details, and what is even more remarkable, not only did they not offer any of their details, because they obviously made it clear to me and said, ‘No, that is not the point’, they do want their land brought into the urban growth boundary — they just do not want to pay the tax. As Mr Lenders has pointed out on a number of occasions, many people do not like to pay tax. We know the
Liberal Party does not like to pay tax — both as a party and at an individual level — but we recognise that without tax we could not make government operate, could we?

The challenge for the opposition, if it is committed to an infrastructure charge, as we are — and I welcome that commitment and Mr Guy’s comments and his clarity around being committed to an infrastructure charge — is that no doubt the disputes now are about when that is incurred and how it should occur.

I welcome Mr Guy’s interest in these matters and I invite him to meet with any of these people, as I am sure he has. I invited those people on that occasion to put their points of view to me, and I will always consider the points of view presented to me by the public. As I have said, my door is open, and I am always happy to meet with either members of industry, members of the community or local government to talk about these matters. I suggest that when Mr Guy has formed his view on where the contribution should be made and how it should occur, he should let us know and we can have a wide-ranging debate about that in this place.

*Supplementary question*

Mr Guy (Northern Metropolitan) — I remind the minister of his exact wording, which was not just seeking a point of view, but was in fact, ‘If you don’t want your land rezoned, please let me know and we won’t zone’. I ask: given that the minister made an unequivocal promise to these 60 families who are severely impacted upon by the growth areas infrastructure contribution (GAIC), what will be the financial impact of site-by-site rezoning as he has promised, and will he offset lost land with new incursions into the UGB or is it all more GAIC policy on the run?

Hon. J. M. Madden (Minister for Planning) — I think Mr Guy did not get the gist of my last answer. That offer was not taken up by anybody on that occasion. I offered it on that occasion and not one of those protesters took up that offer because they recognised, as he recognises and as all the land-holders recognised on that occasion, that that is not the point they were making. They want their land brought into the urban growth boundary, but they do not want to pay the tax. That offer was there, and nobody sought to take it up.

Mr Guy — On a point of order, President, with respect, I know the minister is hell-bent on attacking land-holders, but I asked him a specific question about the cost of offsets to the urban growth boundary. I ask you to bring the minister back to the question.

The President — Order! That is not a point of order.

Do I presume correctly that the minister has finished?

Hon. J. M. Madden — Unless you would like me to continue, President.

The President — I think the minister has finished.

Melbourne Airport: exports

Ms Darveniza (Northern Victoria) — My question is to the Minister for Industry and Trade, Martin Pakula. Will the minister update the house on how the Brumby Labor government is taking action to attract services to Melbourne’s international airport and how this is boosting both jobs and exports?

Hon. M. P. Pakula (Minister for Industry and Trade) — I thank Ms Darveniza for her question, because it gives me an opportunity to once again outline to the house the extraordinary achievements of Melbourne Airport and the impact of those achievements on our exporters. With the support of the Brumby Labor government, Melbourne Airport is bucking the trend of the global financial crisis (GFC) and is providing new services that have given a significant boost to both jobs and exports.

In regard to exports, Melbourne Airport has recorded growth in air freight exports throughout the first five months of 2009, and for the calendar year to date is the leading freight export airport in the country. For the month of May 2009, compared to May 2008, Melbourne Airport experienced a 19.8 per cent growth in exports to reach 6924 tonnes for the month. To put that into context, when it is compared to the performance of Sydney for the same period, Sydney’s result was negative 2.3 per cent, so positive 19.8 per cent for Melbourne and negative 2.3 per cent for Sydney. It is a vital statistic for a range of industries, because the major exports through the airport include pharmaceuticals, both chilled and frozen dairy products, seafood, fresh fruit, vegetables and flowers.

The increase in exports through the airport has been facilitated in part by the fact that direct passenger services through the airport are up significantly and continue to rise, because 80 per cent of air freight from Melbourne Airport is carried in passenger aircraft, so the more frequent flights and larger aircraft we have been able to attract to Melbourne Airport give Victorian
exporters more export capability, lower unit costs and more regular access to their export markets.

That is why last week I was pleased to be able to welcome announcements by AirAsia X that it will increase flights between Melbourne and Kuala Lumpur, by Garuda that it is going to commence three direct Jakarta–Melbourne services a week and by China Southern that it will be increasing its flights between Melbourne and Guangzhou to three per week.

I was also very pleased on 9 July to be able to announce that Tiger Airways is going to base a fifth aircraft in Melbourne, which creates 30 new direct jobs in Victoria’s aviation industry. Tiger has indicated that it believes that in addition to those 30 new direct jobs a further 300 people will be employed indirectly in areas like aircraft cleaning and catering. At a time when the global aviation industry is feeling the impact of the GFC, that is very welcome news. The new Tiger aircraft is expected to be in service by October and will support the growth of Tiger Airways right here in Melbourne. That will enable increased frequency on Tiger flights both to and from Melbourne, including the recently announced Melbourne–Sydney route.

Only six days after the Tiger announcement, as members right recall, Singapore Airlines announced that it is also going to begin a daily Melbourne–Singapore service with its new A380 aircraft. That will commence on 29 September this year and will deliver another 35 000 seats into Victoria. As I think members appreciate, Singapore Airlines is one of the world’s most respected travel brands. It has a network spanning five continents, and its shift to the new A380, which is the largest commercial aircraft in production today, will help generate increased tourist traffic in Victoria.

Before I conclude, I should also note that Melbourne Airport announced today that strong international passenger growth continues. It has announced the highest number of international passengers for July on record, with growth of 8 per cent year on year, reaching a total of 445 949 passengers. This is not one-off news; this is not news that just comes around every now and then. We are seeing month-on-month improvements in international traffic through Melbourne Airport, new flights and new direct air services between Melbourne and various international locations, and all of that is great news for Victorian businesses, Victorian jobs, Victorian tourism and, importantly, Victorian exporters.

Wind farms: health effects

Mr KAVANAGH (Western Victoria) — My question is for the Minister for Environment and Climate Change, Gavin Jennings, and relates to low-frequency, subaudible noise from wind turbine electricity generators on wind farms. Last week I was invited to several properties in and around Waubra in western Victoria. Property owners in the vicinity of wind farms are very unhappy and have a wide range of concerns.

In addition to audible noise which keeps them awake at night, people in the vicinity of turbines are extremely worried about low-frequency, subaudible noise. They say that the turbines produce very powerful noise that cannot be heard but still affects human health. They believe this low-frequency, subaudible noise is seriously damaging their health.

One farming family has moved off its farm and is now living in Ballarat and commuting to the farm only on calm days when the turbines are not operating. This issue is apparently quite a big story in France, where the French medical association has put out warnings about this kind of noise. What scientific data does the Victorian government have on the health effects of low-frequency, subaudible noise from wind turbines?

Mr JENNINGS (Minister for Environment and Climate Change) — I thank Mr Kavanagh for his question. I am very happy to answer his question based on my knowledge of this matter but within the limits of my responsibility. There are a couple of elements of his question that might quite rightly be expected to be covered by the responsibilities of my colleague the Minister for Planning, and those are in relation to planning guidelines, the location of wind farms and the various standards that underpin that. I will outline those in a second.

In terms of the public health considerations, the public health assessments or morbidity issues that underpin Mr Kavanagh’s question do not come within my responsibilities, but I would be keen to have a conversation with my colleague the Minister for Health and the people who work for him to see whether there is any degree of knowledge about this matter.

Limiting this issue to noise as it relates to the siting and location of windmills and what is assessed in trying to make sure there is a planning approval process for windmills adjacent to where anybody lives in Victoria or any part of the landscape, noise is one of the contributing factors that impact upon the amenity and wellbeing of people who live in the vicinity.

The standards that apply in Victoria under the planning guidelines have been in place for a number of years. At the time when those planning guidelines were
established we, along with other jurisdictions in Australia, relied on a pre-existing New Zealand standard. I know from my conversations with my colleague the Minister for Planning and because I am a member of the Environment Protection and Heritage Council that planning and local government ministers who are part of that cooperative arrangement of environment ministers around the country are trying to establish revised guidelines for wind farm development.

The council has commissioned a piece of work which is due to be considered in early 2010. It will cover noise levels and things that might seem to be particular instances of impact on amenity or wellbeing, such as blade glint — that is, the flickering reflection or shadow. A number of public health elements are part of the reconfiguring of these guidelines. I do not have the embedded science before me, but I can understand why members of communities would want to have some confidence and assurance that these factors are taken into consideration in the siting and location of windmills.

I have given Mr Kavanagh my best go at the answer because I am very keen to do two things: I am very keen to try to get renewable energy sources installed in Victoria and I am also very keen to make them happen in a way which has a high degree of community acceptance and support. I think the questions he raises are quite valid ones for us to take into consideration.

**Supplementary question**

Mr KAVANAGH (Western Victoria) — Is the minister in a position to undertake to research the possible health effects of low-frequency, subaudible noise produced at wind farms?

Mr JENNINGS (Minister for Environment and Climate Change) — In my substantive answer I tried to give Mr Kavanagh a sense that I am interested in the public health considerations. Whether they fall within my responsibility is another matter, but I am very happy to talk to my — —

Mr D. Davis interjected.

Mr JENNINGS — Based on his interjection, I am not sure that Mr Davis was listening to my 3½-minute contribution. I pretty clearly laid out my interest in getting windmills happening in Victoria, but I also outlined that the primary responsibility lies with my colleague the Minister for Planning and local government in this context, while health matters would be the responsibility of my colleague the Minister for Health. I am very happy to talk to my colleagues about the appropriate way in which we can make assessments leading to community confidence about these health matters when we site, locate and, hopefully from my vantage point, proliferate windmills into the future. We would want to do so in a way that does not have adverse impacts on our community.

**Connected09 art exhibition**

Ms HUPPERT (Southern Metropolitan) — My question is to the Treasurer, John Lenders. Can the Treasurer inform the house about the State Trustees connected09 art exhibition held at the Victorian Arts Centre?

Mr LENDERS (Treasurer) — I thank Ms Huppert for her question. One of the unusual joys of my job is things like the connected art exhibition that Ms Huppert refers to. It is one of the more unusual art exhibitions that occurs at Southbank in our electorate. The connected exhibition is designed to help people living with a disability or with an experience of mental illness to connect with their community and encourages new and emerging artists to participate.

State Trustees has approximately 9000 clients whose financial affairs it administers because the Victorian Civil and Administrative Tribunal has referred them to it. Tens of thousands of others go there out of choice. This exhibition is a very enjoyable function to participate in, and it is quite unusual for me because you get to see a range of people who otherwise would not get recognition for their work getting that recognition. It is held at the edge of Hamer Hall — right where the top-end-of-town arts are located — and community artists can come in and display their work. There were about 250 people at Hamer Hall when I went there to award the prizes last Thursday.

Mrs Coote — There could have been 251 if you’d asked me!

Mr LENDERS — There could have been, Mrs Coote. Through you, President, I invite Mrs Coote to join me at the connected exhibition next year. It will be the ninth year next year. I have been to two connected exhibitions in my time as Treasurer. My predecessor as Treasurer, Premier Brumby, attended in the years before that. It has grown from very humble beginnings with about 22 pieces of art to hundreds of artists now presenting hundreds more pieces of work.

I think this is really one of the great things that State Trustees does. If we are talking about a framework for a fairer Victoria and social inclusion, this is one of those things that make an enormous difference to a small
section of our community who can participate in it and enjoy it.

I had the joy of presenting three prizes. One went to a St Kilda resident — again in our electorate — Ms Linda Kaiser, who exhibited an artwork called Untold Story. I must admit when I presented the prize I thought, ‘We have finally found Liberal Party policy: the untold story’, but that was not the case. The piece was actually a very good acrylic on paper. A Geelong resident and a Montmorency resident also received awards. The conclusion I want to come to is that one of the artists from a few years ago has actually had a piece of his work on display in the Louvre in Paris.

This is a niche program run by State Trustees as part of a connection with its clients. It is one of those things that is a very important part of the social inclusion fabric. I would invite not just Mrs Coote but the entire house to come to Hamer Hall in the first week of August next year to see connected10 — one more year’s worth of art on display. It is a great initiative of State Trustees under this Brumby Labor government.

Sitting suspended 12.53 p.m. until 2.03 p.m.

WATER: BULK ENTITLEMENTS

Debate resumed.

Mr VINEY (Eastern Victoria) — I had 2 minutes to speak on this motion before the break for question time, and I will take this opportunity to re-emphasise a couple of points I had made about this motion. I intend to spend a bit of time talking about the rationale of the government’s water projects for Victoria. However, first I want to consider what The Nationals, the Liberal Party and, apparently, the Greens will be doing about disallowing this order.

As I was saying before the break, The Nationals’ position has been to oppose the desalination project and the northern irrigation project with the north–south pipeline, and in the disgraceful Morwell campaign run by Mr Northe and supported by Mr Hall, The Nationals opposed recycled water — the water factory that has been a great success in Gippsland. However, on the website of the people opposed to the north–south pipeline, damming the Mitchell River was the alternative put forward — and we know these people are totally connected into The Nationals and the Liberal Party in northern Victoria. Members of the opposition have been saying to people in Gippsland, ‘No, we do not support damming the Mitchell’ — and Mr Philip Davis in particular has come out against doing so — because they know full well that to do that would be to destroy the Gippsland Lakes, which are already under significant stress.

The hypocrisy of this campaign is base politics. It is about dividing Victorians; it is about divisive, base politics. We saw that divisive, base politics in Gippsland at the last election. I stood on a stage in Gippsland East, and The Nationals candidate for Gippsland East said, ‘Melbourne is stealing Gippsland’s water and sending back its poo’. They were the precise words The Nationals ran in that campaign.

It was a despicable campaign — one designed to divide the community. Let us have some reality in this. Water does not belong to Gippsland, to northern Victoria or to Melbourne; it belongs to the whole community and to the environment. That is the reality of it. Just as things in our society are shared on the basis of need, that is what happens and needs to happen with water.

Mrs Petrovich interjected.

Mr VINEY — Mrs Petrovich knows, because she went to Queensland with the environment committee,
about the success of that state’s Target 140 campaign, the aim of which is to limit people’s individual water consumption to 140 litres per day. Victoria has implemented that campaign in Victoria, and its target is being achieved.

Mrs Petrovich interjected.

Mr VINEY — Mrs Petrovich knows full well that those campaigns are successful. On this government’s watch we have seen a substantial drop in the amount of water that Victorians are using. The Victorian community has responded magnificently to the water issues facing this community, and Mrs Petrovich knows full well that government initiative and policy have been pushing that response.

Opposition members know full well that the government has been investing in recycling our water. They know full well that we have been putting in place a grid across Victoria to get water to where it is needed. In relation to the desalination plant, they know full well we are providing links to provide the water that is needed in towns in south Gippsland.

Opposition members also know full well that for 100 years the irrigation system in northern Victoria has been losing substantial amounts of water because of its age and because of the nature of that system. They know full well that this government, in combination with the Commonwealth government, plans to invest $2 billion in that northern irrigation project. They know full well how that is to be funded in Victoria. They know it will be funded through $600 million of general revenue, $300 million from Melbourne Water and $100 million from the irrigators.

This project was initiated by the irrigators and brought to the Victorian government, and we were happy to bring it on board.

Mr Drum interjected.

Mr VINEY — Mr Drum is there with all sorts of opinions and policies on nothing, but he knows full well that if this proposal to disallow these bulk entitlements passes this chamber, the result will be that all of the water saved from the northern irrigation project will go to irrigators. Even the Greens know that under these proposals none of it will go to the environment.

Mr Drum — Rubbish!

Mr VINEY — It is not rubbish; that is the effect of what is being put forward in this chamber. So what happens? The rivers will get nothing, and the project will be in significant jeopardy, because the Liberal Party and The Nationals know full well that the essential services commissioner will not allow Melbourne Water to contribute $300 million of the Melbourne Water users fund to a project where there is no return.

They know full well, because when the essential services commissioner looks at the book and says, ‘What is this $300 million item?’ and is told, ‘That is our investment in the northern irrigation project and in return we get 75 gigalitres of water back to Melbourne’, that is a legitimate expense. If that water were not to come back to Melbourne, Melbourne Water would not be allowed to fund it. It is like Mr Drum suggesting that Melbourne Water should fund the grand prix. It is nonsense. You cannot expect Melbourne Water to fund projects it has no relationship to. It will not happen, it cannot happen, and under the legislation it cannot happen. Under the obligations to report these matters to the essential services commissioner it cannot happen.

What happens if we have to find another $300 million? I suppose the Liberal Party and The Nationals could find that $300 million by doing what they did to country Victoria during the previous government. They ripped the guts out of country Victoria, closed its schools and 12 country hospitals and sacked teachers and nurses. That is one option.

Another option could be that the additional $300 million comes from the irrigators, seeing as they are getting all of the water from what they are proposing. I would expect the other $300 million could be funded by the irrigators. I did a little bit of arithmetic and wondered about its impact on the irrigators.

Apparently about 11 000 irrigators are affected by this project and the northern irrigation project. A $100 million investment in this project, to put it in terms of a net debt to the irrigators that will have to be paid for over the years through their water rates, represents a net debt to each of the 11 000 irrigators of $9090. Over the years that would be paid off by the irrigators. Of course it would be distributed more on the basis of their water usage and requirements. Nevertheless, to reach an average figure for all of the irrigators, that figure would be $9090 for $100 million.

If this proposal goes through and these bulk entitlements are disallowed in this house, the total expected obligation of the irrigators would move from $100 million to $400 million, because the $300 million that Melbourne Water could not fund would have to be found. What would that do to the net debt that would be imposed on the 11 000 irrigators? The average net debt would move from $9090 per irrigator to $36 360. That
is the effect of what Mr Drum and Mrs Petrovich are imposing on the irrigators in their electorate.

**Mr Drum** — They are all out there cheering us on.

**Mr VINEY** — They are not all out there cheering you on, Mr Drum. Most of the irrigators are very happy with the project.

Let us deal with the other furphy that Mr Hall has put forward in this matter. He says that Melbourne gets first call on the water. He knows full well that is not the case. If one bothers to read the schedule — —

**Mrs Petrovich** — Melbourne will get its water first is what it says.

**Mr VINEY** — That is not true.

**Mrs Petrovich** — It is true; it is well documented.

**Mr VINEY** — If Mrs Petrovich would care to open her ears for 1 minute while I clarify this point, she might finally get to understand it. Ms Lovell has attacked members of the government for apparently not being responsive to their electorates. All I am asking Mrs Petrovich and Ms Lovell to do is listen for a minute to what the schedule actually says. Under the heading ‘Modernisation water savings’ it states:

1. Annually reserve a volume of modernisation water savings, calculated in accordance with the calculation methods approved by the Minister for Water, for subsequent transfer to irrigators, Melbourne and the environment in accordance with the following water sharing arrangements described in item (2) and (3).

2. The first 75 gigalitres of modernisation water savings achieved from the following projects to be reserved for Melbourne before June 2010 —

   before June 2010 —

   (a) the Victorian government investment component of the Shepparton modernisation irrigation project;

   (b) the Central Goulburn 123 & 4 project; and

   (c) Northern Victoria infrastructure renewal project stage 1.

Then there is item 3, a fairly important item. Perhaps no-one in the opposition went on to read the rest, so let me read it to them right now. Item 3 states:

3. Thereafter, and until converted to water shares, the annual modernisation water savings from the —

   same things —

   (i) Victorian government investment component of the Shepparton modernisation irrigation project …

   (ii) the Central Goulburn 123 & 4 project …

   (iii) Northern Victoria infrastructure renewal project stage 1 … be shared as:

   a. one-third of annual modernisation savings for irrigators in the Goulburn component of the GMID;

   b. one-third of annual modernisation water savings for the environment; and

   c. one-third of the annual modernisation of water savings for Melbourne.

What is this all about? This is all about saying that until the desalination project comes on stream, we need some of that water in Melbourne first and thereafter to be shared one-third, one-third, one-third — exactly what Mr Hall called for. That will be after June of next year — not even 10 months away.

The water from the modernisation project is paid for principally, if you go through and think about it all, by Melbourne taxpayers, because $600 million of this whole project is coming from general revenue, $100 million from irrigators and $300 million from Melbourne Water users. So the vast bulk of this project is funded by people in Melbourne. If the opposition wants to run this divisive campaign, let us just think about the facts. The vast bulk of this project is being funded by Melbourne.

**Mr Koch** interjected.

**Mr VINEY** — Yes, Mr Koch, by all Victorians, not just the people in Melbourne. But in any simple analysis of this issue, the vast majority of tax revenue in Victoria comes from Melbourne, because the vast majority of the population, the vast majority of our trade and the vast majority of our economic activity happens as a matter of fact in Melbourne. So clearly the bulk of the revenue is going to come from Melbourne.

With this motion the other side is suggesting that Melbourne has no entitlement to the water it has. As I said, opposition members want to run a divisive campaign. What a nonsense it is! The logical conclusion of their argument is that the only water Melbourne can have is from the rain that falls on Melbourne. That is just a nonsense!

**Honourable members interjecting.**

**Mr VINEY** — Mr Drum and Mr Koch ought to go tell their constituents — and this is a point I have tried to make in Eastern Victoria Region; I have said, ‘What we will do from now on is not trade with Melbourne, and we will not send any of our agricultural produce to
Melbourne, because we want it for ourselves, and we do not want to send water to Melbourne or have anything to do with Melbourne’. It is clearly a nonsense.

Victoria’s water is a precious, and increasingly precious, resource, and there is going to be conflict in the coming years over the way we allocate water. There are going to be difficulties. But we have to allocate water on the basis — —

Mr Koch interjected.

Mr VINEY — Mr Koch, I have sat in this chamber and listened to your members argue against the emissions trading scheme. I have listened to your members deny that there is any problem with the climate. So do not say this is now our fault! Are you saying that since we were elected in 1999 we turned the rain off? Come on, Mr Koch; that is complete and utter nonsense.

Ms Lovell — You have been in government since 1999.

Mr VINEY — You may want to talk about what we have done since we came into government, but you did nothing. Ms Lovell talked about the fact that she and the Liberal Party have known for years there was a water problem. That may well have been so, but between 1992 and 1999 they did zip. It was this government that, when it came into office, started the Wimmera-Mallee pipeline, a project that to my recollection was opposed by members opposite. This government put in place the water grid; it put in place the water savings initiatives; it started stormwater initiatives such as rainwater tanks for Melburnians; and it put in place the northern irrigation project, the water factory in Gippsland and the massive investment in recycling in the eastern treatment plant and out in the west.

Honourable members interjecting.

Mr VINEY — This is the government that has done those things; you lot in government did none of it, not a single skerrick, not a thing. So Mr Koch should not come in here and suggest this is all our fault.

Honourable members interjecting.

Mr VINEY — You are the people who have opposed anything to do with climate change and did nothing in terms of water savings; yet now you oppose every single major water initiative in Victoria. The only proposal the other side has been able to come up with is a new dam on the Mitchell River. So we are not going to come in here and be lectured by the other side.

Let us be realistic. We all have to understand that the water does not belong to any specific community. The water that is available has to be sensibly shared by the community and sensibly provided to help the environment. I was stunned by the Greens in this debate; in essence their argument is that unless the government is prepared to negotiate additional water for the environment, the Greens will kill off any additional water for the environment by supporting this motion. That is the brinkmanship politics the Greens are playing with this so as to maintain its cosy coalition arrangement with the Liberal Party and The Nationals. The Greens are prepared to ensure that none of the rivers in Victoria gets water out of this project. To support this Nationals’ motion would lead to their preparedness to make sure all of this water goes to irrigators. They are prepared to do that as a political tactic. They are prepared to play with our rivers; they are prepared to destroy the rivers of Victoria as nothing short of a political tactic. I have to say that that was a substantially new low in environmental politics on behalf of that party.

In his contribution Mr Barber ran through a whole list of his credentials on this issue, but the Australian politician most responsible for getting the issue of environmental flows in our rivers was not a member of the Greens; the politician most responsible for bringing to the attention of the Australian community and the body politic of this country to increase river flows was the member for Gippsland East in the other house, Craig Ingram. He brought these issues to national attention through his successful campaign on the Snowy River in the 1999 state election.

Mr Hall interjected.

Mr VINEY — I see Mr Hall laughing because The Nationals do not like the fact that Mr Ingram destroyed The National’s hold on that seat. They thought they would hold that seat forever, which is why they were able to put in a ‘hidden treasure’, the former member, in that seat. He proved them wrong. The Greens come in here and try to claim some level of credibility on this matter of environmental flows to the river, but their actions here today show they have none.

They have destroyed their credibility on environmental flows because what they are prepared to do is send all the water from the northern irrigation project upgrades to the irrigators, with none — not a single drop — going to the rivers. That is absolute environmental
vandalism of the highest order, which I cannot believe the Greens would support.

Today we are debating an argument from the coalition parties that is about divisive politics. It is about trying to divide the community, with the opposition saying in this debate, ‘This water belongs to the north; this water belongs to Gippsland; and this water belongs somewhere else’. We need all our community behind us in all the water projects we are doing. We need the whole community to understand that what is trying to be achieved is equitable sharing.

That is why the government is building a grid around the state to put water to where it is needed; and that is why the government has made its investment in a desalination project. It will provide desalinated water not only to Melbourne but also to Gippsland. That is why the government is investing in the northern irrigation project, in the Wimmera–Mallee pipeline, and that is why it needs to provide the north–south pipeline: to make sure water is able to go where it is needed.

Mr Hall was absolutely right to say that this water should be shared one-third, one-third and one-third; the government agrees with that. That is precisely what is in the schedule. The only issue is that it occurs after June 2010, not 10 months away. The reason for that, as Mr Hall knows full well, is because until the desalination project comes on stream, we need to make sure there is a secure water supply.

I challenge Mr Hall to go out and talk to the farmers of Victoria, the people he purports to represent, to talk to country people and say, ‘What would this place be like if Melbourne were restricted in its way proposed by Mr Hall in relation to water? What would Victoria be like? What would our trade as country Victorians be like if we are not able to trade properly around the state because Melbourne had to be shut down? That would be the effect of where Mr Hall is headed; if Mr Hall continues to oppose these projects, Melbourne will not survive. The government has to ensure that all Victorians have access to water. People in country Victoria and in Melbourne have to equitably share in the precious resource of water.

Mr Hall — So Melbourne is more important than the food bowl.

Mr VINEY — A significant amount of what makes country Victoria economically viable is its relationship to the big urban area of Melbourne. That helps make country Victoria economically viable. There is not a government in this state that better understands the needs of country Victoria than this one. There is not a Premier who better understands the needs of country Victoria than the current Premier.

The current Premier, when he was the Leader of the Opposition during the Kennett government, argued vehemently about the need for the Labor Party to connect with country Victoria. He pushed that argument on the basis of need. He is the most responsive Premier for country Victoria the state has probably ever seen.

I say to the opposition that it can go down this path of divisive politics; it can go down the path of what it did in Morwell, running the campaign about Melbourne stealing Gippsland’s water — opposing the water factory, opposing the recycling of water from the eastern treatment plant, opposing the desalination plant. The opposition can continue down the path of opposing the north–south pipeline and, by consequence, the whole of the northern irrigation project, but what it will be doing is jeopardising not only stage 1 but stage 2 of the project, because through this motion, if passed, the government will not be able to provide any water to rivers in stage 2 as it will all go to the irrigators.

The opposition is putting in jeopardy stage 2 of the project because the commonwealth requirement is that there be an obligation to put water into the rivers. This is the stuff the opposition is putting at risk. There will be a time of reckoning, and I will do my best to make sure at the next election that the opposition is accountable for this. There will be a time when it will have to say where the water is going to come from. There will be a time when it will have to come clean and admit that the only option for it to secure Victoria’s water supply is to dam the Mitchell.

Mr Hall interjected.

Mr VINEY — I will make sure Mr Hall is held accountable in Eastern Victoria Region for that position and the absolutely disgraceful hypocrisy. The Nationals have demonstrated as a party. They have got Nationals people in northern Victoria campaigning for a damming of the Mitchell while Mr Hall and others walk on the other side of the street in Gippsland saying, ‘No, no, no; we do not want to dam the Mitchell and destroy the Gippsland Lakes’. He will be held accountable for that, because he has to come clean about where the water is going to come from. When The Nationals turn off the tap on the north–south pipeline they are going to have to say where that water will come from. I see Mr Hall and his Nationals colleagues taking the big picture opportunity, if they ever get into government, to turn off the tap. That is what will happen, and then they will have to come clean about where the water is going to
come from. The most important issue for us in Victoria is to make sure this water is equitably shared and equitably paid for, and that is what this project is about.

It is disgraceful politics that The Nationals, supported by environmental vandalism from the Greens, are engaging in in proposing to disallow this very important project for Victoria, and I urge the house to reject it.

Mr P. DAVIS (Eastern Victoria) — I had not intended to participate in this debate until I listened carefully to the previous speaker. I could not allow the comments he made to go unremarked upon, so I will make a few remarks.

Mr Viney — You do support damming the Mitchell. I’ve said that you didn’t.

The PRESIDENT — Order!

Mr P. DAVIS — Mr Viney, you might just listen to somebody politely, as other members and I have listened to you, and you might just, with a little humility, think to look at the facts before you claim the moral high ground in any debate.

Let us restate the facts about who has been active in the area of looking after our waterway management over time. It is a fact that the Labor Party was opposed to the integrated catchment management structure which would better raise the profile of waterway management and which the Kennett government introduced in the nineties. It is a fact that one of the major campaign planks of the Labor Party in 1999 was to oppose the investment in those waterways that the Kennett government had put in place. It is a fact that going into the 1999 election the Kennett government committed to having environmental flows for the Snowy River. It is a fact that the Snowy River Alliance’s first meetings with Victorian government ministers were facilitated in 1997 by me, by Mr Hall and by the then local member, David Treasure, along with then ministers Marie Tehan and Pat McNamara. I can remember meetings on that subject in meeting room 2 in the basement of this building with Marie Tehan, Pat McNamara and Gil Richardson and others from the Snowy alliance.

If Mr Viney did not show his disinterest and listened to what I was saying, he might learn that if he bothered to speak with them, members of the Snowy alliance would tell him that the 28 per cent flow commitment made by Steve Bracks as a result of buying the vote of Craig Ingram, the member for Gippsland East, to secure a majority in the Assembly in 1999 has not been delivered. Twenty-one per cent has not been delivered. Twenty per cent has not been delivered. In fact I can cut to the chase and just scale back and say that less than 4 per cent of environmental flows have been delivered in a decade. As the Snowy alliance told me recently, it does not expect that even the 15 per cent that the Kennett government committed to in 1999 will ever be delivered, because the Labor government in Victoria and the Labor government in New South Wales are both intransigent about committing that water to other priorities. In other words, the Snowy is no better off for the change of government in 1999 and the commitment made by the Labor Party.

If Mr Viney is interested in being reminded, the commitment by his party has not been delivered, and Craig Ingram has nothing to boast about. Craig Ingram has failed his constituents. They expected him to represent the interests of the electorate and not just to be a single-issue candidate, which is what he still is despite having failed to deliver on the single issue on which he campaigned in 1999. He has been shown not to be up to the task of persuading the current Premier or indeed the previous Premier to honour the commitment made by the Labor Party to him for his support in the Assembly at the change of government in 1999.

I should also make the point that there is no sign at all that the Minister for Water in this government is at all interested in pursuing these matters. I recently raised this issue with the minister, and essentially his response to me was, ‘It is all very hard and it is all very complicated’. Nobody in East Gippsland cares whether it is hard and complicated; what they want to see after a decade is that commitment of 1999 delivered.

I remind Mr Viney of the fact that it was the Kennett government that committed to delivering 15 per cent flows. It was David Treasure, the then member for Gippsland East in the other place, and Peter Hall and myself, who were members for Gippsland Province at the time, who made a joint submission to the Snowy water inquiry in 1998 that was the basis of the Kennett government’s policy commitment in 1999.

Mr Hall — I fronted the panel and made the submission.

Mr P. DAVIS — Mr Hall reminds me that he made a personal appearance before the panel, not just a written submission.

Mr Drum — What did the Labor Party do?

Mr P. DAVIS — The Labor Party was nowhere to be seen. It took no interest in the debate at the time, and it was only as a consequence of a hung Parliament after the 1999 election that the Labor Party engaged in the issue. I might also say that, interestingly enough, on the
It is a fact that our government has made a historic commitment to investing in water-saving projects to save water for the environment and for irrigators, and the disallowance motion before us today in this chamber is designed to stop that. It is designed to stop Melbourne being able to get an entitlement to the water savings brought about by the food bowl modernisation project and to stop the environment getting its entitlement to those water savings.

Like Mr Viney, I am very surprised that the Greens are supporting this motion that would deprive the environment of its one-third share of all the water savings that can be made through this project. We all know our river systems need this water and that the antiquated and degraded irrigation system in northern Victoria is leaking and seeping and water is evaporating from it. In the first instance 75 gigalitres of water saved through water projects will be coming to Melbourne, but following June 2010 all the savings made through the food bowl modernisation project will be shared equally between the environment, the irrigators and Melbourne.

This motion says the only people who have an entitlement to any savings made through the food bowl modernisation project and through upgrading the irrigation system are the irrigators, when we know this is a shared project that was originally put to the government as a project by irrigators in northern Victoria. It was brought to us by irrigators as a shared project. It is not only for the benefit of the irrigators who are usually responsible for the upkeep and upgrade of the irrigation system they utilise to run their farms and businesses; we all benefit from the food that is produced, but historically it has been the irrigators who have been responsible for ensuring the upgrade of the irrigation system. We know that with the prolonged drought we have been experiencing and with climate change we cannot afford to have the precious resource of water lost in that irrigation system. As has already been pointed out, the shared project was set up with funding of $600 million from the government through general revenue, $300 million from Melbourne Water which was raised from Melbourne Water users, and $100 million from the irrigators. It is a $1 billion food bowl modernisation project that is going to deliver up to 225 billion litres of water each year by improving degraded, antiquated, leaking, seeping and evaporating irrigation channels.

It is also part of the food bowl modernisation project to improve metering inaccuracies as well as deal with overflows at the ends of channels. As a member for Northern Victoria Region I travel very widely throughout the region, and I do not know anybody who...
thinks improving the irrigation system is a bad idea. I have not had anybody say to me, ‘Look, we do not need to do it; leave it alone’. I have not had anybody come to me and say, ‘We do not want the funding; we do not want the $600 million from state revenue; and we do not want the $300 million from Melbourne Water’. Mr Viney has already gone through the schedule, and I have to concur with him: I do not think the people on the other side of the house have read it properly.

It is only after the first 75 gigalitres of modernisation water savings are achieved — and they are to be achieved through projects in which the government has invested, such as the Shepparton modernisation project, the Central Goulburn 123 & 4 project and stage 1 of the northern Victorian infrastructure renewal project — that all the water savings will be shared one-third, one-third, one-third. Whilst it is a partnership in terms of the funding of the project, it is also a partnership in terms of the sharing of the savings to be made. As I said earlier, as I travel throughout northern Victoria I have not had anybody tell me there are not savings to be made or that water is not being lost through the current irrigation system, that it does not need modernising and that there is not water there to be saved.

Ms Lovell talked about the water savings not being there. I think she said it was because our irrigators are on zero allocations now, and that is going to mean there is no water in the system and therefore we are not going to be able to make savings. Ms Lovell knows as well as I do that at the same stage last year and the year before irrigators were on zero allocations. We also know that later on in the year northern irrigators did receive an allocation. We know further that we only have to look at Goulburn-Murray Water’s annual report to see what sort of losses are experienced in the irrigation system. Its latest annual report contains figures from 2003–04 right up to the current time, and it can be seen that over that period an average of 746 billion litres of water have been lost. Clearly considerable losses are being experienced. When you consider that the system was running at its lowest capacity of all time, you can still see that there are huge savings to be made.

Ms Lovell tried to say that if the system is running really low, then there are not the same sort of savings to be made and therefore you cannot stand up and argue that there are savings to be made. If you look at Goulburn-Murray Water’s annual report, you can clearly see that the average amount of water that has been lost over the period outlined — 746 billion litres — is equivalent to a two-year supply of water for Melbourne. What was lost even last year is equivalent to the amount of water Melbourne would use in a year. This is a very significant loss of water. This is not just a little bit of water that is a trickling overrun, it is not just a little bit of water that is being lost in leakage or seepage, this is billions of litres of water being lost every single year. There are hundreds of billions of litres of water there to be saved, and that is what our government wants to do. It wants to work in partnership with irrigators, with Melbourne Water and with the taxpayers of Victoria through general revenue to see that this precious resource is not lost. If in the years when water allocations are low we still have hundreds of billions of litres of water being lost, we need to make sure that they are saved.

As I said, it is a partnership, and part of that partnership project is to ensure that in the first year Melbourne receives 75 gigalitres of water from savings that have already been realised from earlier projects and that in future years, whatever the savings, they are to be shared equally: one-third, one-third, one-third. The motion before us today clearly shows that that is not what members of the opposition want to see happen. They simply want to play politics. They have taken a very short-sighted position today in bringing this motion before the house. It is anti-Melbourne; it says, ‘We do not care about Melbourne. We do not care if there is not enough water for Melbourne’. It is also anti-environment. It says, ‘We do not care about the river system’. The motion that opposition members have brought to us today and are going to support says, ‘The only people we want to see reap the benefits of the food bowl modernisation project are the irrigators. They are the only ones we want to see get the water’.

I want to see irrigators get water, but I do not believe it is unreasonable that it is shared equally. Hundreds of billions of litres of water are being lost, and we have a $2 billion project. We want to see Melbourne get a share of the water; we want to see the environment get a share; and we also want to see the irrigators get their share. We are very committed to the Living Murray initiative. No Living Murray water was ever coming to Melbourne from the Shepparton project. The order is quite clear: savings from the Snowy River from the Central Goulburn 123 & 4 project will not be available to Melbourne after 2010. That is very clear. I really wonder whether the coalition has taken the time to read about that properly.

We know politics is being played here, because we only have to look at the position the coalition has taken in relation to the food bowl modernisation project and specifically to the pipeline. Originally the opposition claimed it did not believe the pipeline was ever going to be built. It is on the record as saying, ‘It is never going
to be built and it is not going to happen’. Then it moved away from that position.

Back in September 2008, Louise Asher, the member for Brighton in the other place who was then opposition spokesperson for water, came out and said — and I am taking this from a story in the Age of 19 September — that it would basically:

… render the 70-kilometre pipeline dormant.

A coalition government will not take water from that pipeline. We have been opposed to the project since day one.

The Nationals agreed with them, and at that stage they were right on board. Some time later the Leader of the Opposition in the other house, Ted Baillieu, came out and did a monumental backflip over the pipeline. The headline in the Herald Sun of 23 September 2008 is ‘Backflip over pipeline’. The article says:

Liberal leader Ted Baillieu’s water policy was in disarray … after a backflip on the … Sugarloaf pipeline.

Ms Asher is on the record again when she states that the coalition:

… would allow water to be pumped down the pipeline …

The Liberals were saying the pipeline was not going to be built; then once it was being built, it said, ‘We are not going to let any water flow’. The Nationals were right there, saying, ‘Yeah, yeah, yeah!’ Then Ted Baillieu comes out and says, ‘No, you have got it all wrong’. He does a backflip, then says, ‘Yes, we are going to allow water to flow down the pipe’.

Where were The Nationals then? They were right beside the Liberals again, saying, ‘Yes, we will, too!’. They were going to turn it off; then they were going to turn it on. Who knows what the coalition is going to do if it ever wins government. My guess is the coalition will not be winning government any time in the near future, but if it does and if Melbourne requires that water and the savings are there through the food bowl modernisation project — which they already are — then the coalition will turn the pipe on.

You have to wonder about the Liberals’ commitment to any of this when The Nationals move this motion; they are the ones getting right behind the issue. Very little has been said by the Liberals in their contributions. When Ms Lovell got to her feet to make what was a fairly short contribution, she ran out of things to say; she could not even get through to the luncheon break and had to sit down a couple of minutes before the lunch break. The last part of her contribution was directed towards attacks on government members in northern Victoria.

Perhaps one of the reasons that Ms Lovell does not see much of government members in northern Victoria is because she is not there much. In fact she barely moves out of Bendigo. That might be one of the reasons why Ms Lovell really does not have her finger on the pulse. Perhaps what Ms Lovell should do is get out of the backroom, stop being a strategist for Plug the Pipe, get back into the saddle and start doing her job as a member for Northern Victoria Region. We know there are some other opposition members in the backroom; it has become a bit of a family affair, but I will not go into that.

I want to take up the issue raised not only by Greg Barber but also referred to in the motion. Mr Barber was speaking to the third point of the motion, about the order referring to independently reviewed protocols for calculating savings. We know the minister has approved and put out a press release regarding this. Mr Barber seemed to be at a bit of a loss to know exactly what was going on, so I would like to take this opportunity to clear the air for him, because the government is now in the process of appointing an independent audit panel. The concerns raised by the opposition and Mr Barber have already been addressed.

I would like to refer Mr Barber to the Minister for Water’s press release of 30 June, where he made it very clear that he had released a comprehensive set of guidelines for calculating, applying and allocating water savings generated from Victoria’s irrigation modernisation project — I think Mr Barber must have missed this — and that these guidelines had been developed with Goulburn-Murray Water and the Northern Victorian Irrigation Renewal Project.

Irrigation infrastructure experts as well as other key stakeholders have also been involved in formulating the guidelines, which are comparable to the methods used by the Murray-Darling Basin Commission to audit the state’s compliance with the Murray-Darling Basin cap, so I do not think the opposition or the Greens should have any trouble with those guidelines.

Water authorities will be able to calculate the savings from the irrigation modernisation project by using those protocols and guidelines. The savings will then be independently audited. The opposition and the Greens have spoken about whether or not there are water savings to be made, and as I said, I think they are just playing politics with this because everybody knows the savings are there to be made.

Whether it is a huge irrigation water allocation as we have had in the years when we were not experiencing drought and the effects of climate change or whether it has been in more recent years when there have been
lesser water allocations, we know there are savings to be made. Then the opposition says, ‘We cannot work out what the right figures are for the savings’.

The minister has clearly stated that the water savings will be independently audited, so we will know exactly how much water makes up those savings that are then allocated to the irrigators, to the environment and then to Melbourne in a shared capacity — that is, one-third, one-third, and one-third. The opposition is out to point score and to play politics with water, and I am not surprised. Given that I live and work in northern Victoria, I see a lot of this happening all the time.

To echo what some previous government speakers have said, it is important for this chamber to understand what is being put in jeopardy here — that is, $300 million that has been put in by Melbourne Water and the $1 billion funding that is going to come from the federal government. I do not think you can just say to Melbourne householders, who have invested $300 million through their water bills, that ‘What you are going to get is nothing. It is zero. You are getting nothing for that funding’, and I do not think you can say to the environment, with massive investments from the state and federal governments through public funds, through taxpayers funds, and they are investing $2 billion in this, that ‘What you are going to get for the environment’ — because what they want to see is the environment getting a share of these savings — ‘is zip, too. You are going to get nothing, and it is all going to be sweet and will all just rock along and move forward’. There have to be consequences, and I agree with fellow speakers from this side who raised the question about what the Essential Services Commission will have to say about this kind of expenditure being made, but water not then being made available.

As I said, this government has the runs on the board when it comes to water and water security. We have been more than able to step up to the plate, to make the investments and to invest very heavily in ensuring that rural and regional Victoria gets the water it needs. We have seen places in rural and regional Victoria, such as Bendigo, Ballarat and many smaller communities along that Wimmera–Mallee pipeline, get the water they need. We know that towns like Bendigo and Ballarat could have run dry without the goldfields pipeline.

We have been prepared to take the action, to make the investment and to build the pipelines where they have needed to be built and to deliver the water to where it is needed. We have the runs on the board as far as investment in wastewater treatment goes — and I am not saying there is not more that could be done; there is always more that can be done in this area — on working with big business and about the way they use water, about the way water can be recycled, about the way it can be treated and can be reused for other industries. We see that in our large food preserving operations around where I live in Shepparton. We see that with SPC Ardmona and with some of those other big food processing companies.

We have the runs on the board, but more must be done. We see recycled water being used very successfully out in the west in market gardening. We have seen the whole raft of water-saving measures which have been put in place in Melbourne and which Melburnians have really stepped up to and embraced, such as the installation of water tanks for use in either watering the garden or flushing toilets. The use of grey water is something that has been embraced and is increasingly being embraced; it is not only being retrofitted when people do renovations but also being installed in new households, along with other smaller things like water-saving shower heads. Melburnians have really stepped up to and taken on board the 3a water restrictions we have in place throughout Melbourne.

It is great when we get our water bills, which show little stick figures indicating how many people should be living in your household if you are using this amount of water. Encouraging people to get their water usage down is a very positive thing, because water is a precious resource and we are in the longest drought that we have seen in a very long time, if not the longest in living memory. We need to take every action we can to ensure water security for our urban areas, for our larger regional cities, for our country towns and for our irrigators, who produce the food we eat and the export that is so important to our economy, and also to ensure that water is available for our river flows. We do not want to see our rivers die.

I cannot support this motion, and I urge other members not to support it. It does not share the savings, it does not ensure that Melbourne gets a share of the water and it certainly does not ensure that the environment gets a share of the water. This is all about giving all the water savings to the irrigators, but whilst I agree that irrigators deserve a share, I do not believe they should be getting all of these savings. There will be consequences if this motion gets up. There certainly will be consequences in relation to the money being put up by the federal and state governments — taxpayers money — and also by the residents of Melbourne, who have put up $300 million through their water bills. I urge members not to support this motion. I certainly will not be supporting it.
The order, as currently drafted, will breach three core previous commitments. The government has breached all of those commitments made to food producers, the environment and Victorian communities. It is clear that the Brumby government pushed on and insists on perpetuating this lie by building this pipeline and ripping water out of the north.

I think one of the interesting things about the purpose of this amending order is that it is a flawed one. We talk about saving the amounts of water there based on a figure that is simply incorrect, and about the catchments of Lake Eildon and the Waranga Basin. Melbourne’s metropolitan catchments are currently at much higher levels than either of those two storages.

The coalition opposes this amending order because what is proposed by the Brumby Labor government breaches commitments made to food producers, the environment and Victorian communities. It is clear that the water savings which the government predicted would be available for the north–south pipeline are now not there, and instead of trying to use this order to rip water out of the north, the government has breached all of those previous commitments.

The order, as currently drafted, will breach three core areas. First, water previously committed to the iconic Snowy and Murray rivers through environmental flow agreements with the commonwealth and other Murray-Darling states will now be redirected to Melbourne. We heard earlier from Mr Barber and other speakers opposite that the coalition is not interested in the environment. I have to tell you that as a coalition which represents country people who have been custodians of the land for many generations, we do care about our environment; it is where we live, and that care is certainly part of how we live alongside nature. To sully our environment or not look after it in any way is contrary to our belief system and what is of benefit to our land.

Second, savings from the commonwealth-funded stage 2 of the food bowl modernisation project, which the Brumby government promised would be split 50-50 between farmers and the environment, will instead be distributed based on future negotiations with the commonwealth.

Third, the order fails to establish a proper measure and audit process for water savings made from the food bowl modernisation project, thereby failing to address a key criticism of the Auditor-General that there is a lack of rigour around the way water savings are calculated. I have spoken in this place on the Auditor-General’s report which talked about the lack of transparency and the lack of real figures relating to the volume of water. It has been there, it has been out in the public, but the Brumby government pushes on and insists on perpetuating this lie by building this pipeline and ripping water out of the north.

I quote from a media release by Premier John Brumby entitled ‘Murray-Darling agreement a win for Victorian farmers and the environment’, which states:

As part of the funding arrangement with the commonwealth, the water savings gained from stage 2 will be shared equally by irrigators and the Murray River.

I think it is a shame that we have heard so many speakers on the other side today who have continued to perpetuate this myth. They have backed down on their commitment to the environment and the food producers, and they are now stating that the water will be shared based on future negotiations with the commonwealth. I think that is a real shame.

Instead of an independent audit, the amending order bizarrely states that water savings will be calculated ‘in accordance with the calculation methods approved by the Minister for Water’, in effect at the water minister’s discretion. I think that is extraordinarily bizarre. It ignores the most senior water bureaucrat, David Downie, who has admitted under oath that the basic assumptions on water savings for the north–south pipeline have ‘now proven to be wrong’.

How many points do we need to prove? Ms Darveniza went on a fair rant — —

An honourable member interjected.

Mrs PETROVICH — She did. She went on a 30-minute rant, maybe longer. The fact is that Ms Darveniza has done nothing to stand up for the area that she represents, northern Victoria. The fact is she has done nothing to support the constituents who oppose the north–south pipeline.

Fact: this whole deal is based on a false premise; there is no water available in the system and there is no water coming out of savings. Fact: there is no new water. Fact: the Labor government members representing
northern Victoria are ripping the heart out of country Victoria and the communities they purport to represent. Fact: the two projects which have been intrinsically tied together — the Shepparton irrigation system and the north–south pipeline — should not be linked because they are two entirely different projects and they serve two entirely different purposes.

Pardon the pun, but I would say this is just another example of this government muddying the water and in many respects holding a gun to the heads of country Victorians.

**Mrs Peulich** — Water torture.

**Mrs PETROVICH** — Water torture, indeed, Mrs Peulich.

From the outset the north–south pipeline has been a disastrous idea, and the Liberal-Nationals coalition has been on the record from the start opposing its construction on the basis that it is based on a flawed premise. The water that is purported to be there and the predicted savings are simply not in the system. The figures have been dodgy from day one. We know that the figures used to make those calculations were based on the 2001 rainfall year in which there was a freak rainfall event that boosted the level of water in the catchment and the system but did not reflect the actual water available. We knew that, and we articulated it right from the outset: the premise of the 75 gigalitres was incorrect and that a freak rainfall incident does not represent what is in the system. We have heard Ms Darveniza elaborating today on this water that is not lost; it is in the area and is part of an environmental flow in itself.

The government’s lack of understanding of country philosophy and the way the environment works will be its downfall. There has been 10 years of neglect of water infrastructure, of misunderstanding about when the drought actually started, of a lack of acknowledgement of the water-saving mechanisms to be implemented. There was no movement on this until after November 2005. I remember — and I have spoken about this many times — being at the Warracknabeal agricultural show when Steve Bracks, the former Premier, flew in on his red-hot helicopter, looked at some of the bone-dry channels and said, ‘So this is what you mean. Is this a drought?’ Hello! That was November 2005.

In 10 years this Labor government has done very little to develop alternative water sources. As a member of the Environment and Natural Resources Committee (ENRC) I have spent an enormous amount of my time over the last 12 to 14 months looking at alternative water sources for Melbourne. Whilst members opposite have stood up today and crowed loudly about all the great innovations that have been put forward, very little has been done. It was previous Liberal governments that set about building dams and water storages in preparation for drought. I asked a representative of Melbourne Water what would have happened if we had not built the Thomson Dam. His response was, ‘Jeez, I think we’d be stuffed now’.

There is a range of solutions that have not been implemented. Recycled water and stormwater collection are among the measures that the government has not got on top of. Look at the enormous desalination plant that is proposed for Wonthaggi. This proposed 150-gigalitre desalination plant will be three times bigger than any similar facility in the world. Its carbon footprint alone is terrifying, let alone what it will do to the marine environment. We are hanging our hat on that plant coming online in June 2010 to take the pressure off the north–south pipeline. Let us accept that this government — which I have to say does not have a good track record on successfully building infrastructure —

**Mrs Peulich** — An appalling track record.

**Mrs PETROVICH** — It has been an appalling track record. It has not been able to deliver one iota of infrastructure.

The people of the north have to be prepared to say, ‘In good faith we will allow the water to come out of our region, affecting our families, communities and farms, on the basis that in June 2010 the government will have built a monumental desalination plant at Wonthaggi,
and that will take the pressure off everything’. Let’s face it: members of the government have not had a plan, have not got off their backsides and have not delivered. They have not delivered one thing.

A range of measures could have been put in place to take the pressure off. I hope someone from the government has taken a look at the suggestions in the ENRC report on water for Melbourne, which is not a bad document. It talks about a range of measures that would certainly improve the situation for Melbourne. Let us make Melbourne the first sustainable city. Let us enable Melbourne to stand on its own and provide its own water instead of ripping the guts out of country Victoria, because the people in communities in country Victoria will not survive what the government will do to them.

I have already seen people on the land being bullied and threatened, with the channels they exist alongside being cut off from them. If they want to be connected, they will have to build their own connection to that channel. Effectively what that does is cause people, after the great unbundling exercise, to walk off their farms and sell their water rights. What happens then? Communities, towns, service clubs and service organisations just close down.

We have had 12 years of drought. It makes very little sense to continue in this vein. I cannot tell you how disappointed I am, although I really should not have expected much more. Farmers have had a pipeline built on their land with no easement. They have had their fences cut, then workmen have traipsed onto their land, ripping it up, building a pipe and re-fencing it. Their land has been seized. I could not tell you what people in metropolitan Melbourne would think if that happened in their front yards, but country people are supposed to sit back, suck it up and accept it. They are not going to do that. They have representatives like Ms Darveniza and Ms Broad in this house, who are going to vote against this motion today, offering no representation and no real solutions. They deserve a lot better. I am proud to represent the people of the Northern Victoria Region, as I know is Ms Lovell — —

Ms Lovell — And we both live there!

Mrs PETROVICH — We both live there and work there. We love the place and we love our constituency. We are quite prepared to meet with our constituents at any time, and in volume. We will go down fighting on this important issue.

The fact is the government did not acknowledge there was a drought until 2005. With no plan and no preparation it is basing the survival of northern Victoria on dodgy figures and a desalination plant that has not even commenced being built yet. From looking at some of the desalination plants in Australia and internationally, I have to say they are not all they are cracked up to be, either. Liberal Party policy in the last election campaign was for something a little bit smaller and more moderate to supplement the water supply. We were also very keen to look at recycled water and stormwater collection. For goodness sake, people in the bush have been collecting rainwater for 200 years. It is nothing new; the government did not invent the wheel.

Mrs Peulich — No, but they would like to pinch it.

Mrs PETROVICH — They are pinching the wheel; that is the problem.

I raise the issue of the auditing system, which was talked about earlier. I have grave concerns about that. Only two stages of the project will be checked — stages 3 and 4. There are some questions about this process, including how transparent it is and who is conducting it. Phase 1, the initial business case, was to be long-term estimates of water savings for the planned program works. That is not going to be audited. Phase 2 was to be the annual pre-works estimates of interim savings to be set aside within the water savings account, which will not be audited. Phases 3 and 4 are going to be audited, but that will be done after the proposed savings. This is not being done beforehand, so let’s not get a real handle on what is actual; let’s talk about what we can fudge once we have done some of these works.

If we are talking about appointing an independent auditor, then I hope that is the case. There is a lot of rhetoric around, including the minister’s document with the logo ‘Victoria — the place to be’ that I have received, which also says that a consensus view had been reached about water savings in the CG2 (Central Goulburn channel 2) area. The document says:

The decision was made to use the consensus view of the project working group, and to assess the uncertainty associated with these estimates within our probabilistic BCA — —

that is, benefit-cost analysis — —

framework.

We have an admission from the Auditor-General, from the government itself and from a range of people who have done the work that the figures on the amount of savings available are flawed, as is the premise upon which they are based.
I will take up a point Mr Viney made earlier. He was trying to be very instructive and helpful, I am sure, when he said that the first 75 gigalitres saved through the northern irrigation project would be reserved for Melbourne before June 2010. As I have said, that is only 10 months away and we still have no alternatives.

Mr Viney also referred to:

(a) the Victorian government investment component of the Shepparton modernisation irrigation project;
(b) the Central Goulburn 123 & 4 project; and
(c) Northern Victoria infrastructure renewal project stage 1.

As I said earlier, these projects should be split up; they are quite separate and for separate purposes. Nobody would deny that work needed to be done on water channels in irrigation districts. There have been various comments about the reliability of Dethridge wheels. The figures produced relating to Dethridge wheels cannot be quantified, and there is a variance depending on the particular channel where they are used, efficiency having been measured at between 78 per cent and 88 per cent.

It is important to note that we are concerned about people in communities along the Murray and Goulburn system. We need to ensure that our environment is protected. On the Goulburn River dead fish have been seen when the water gets low. There is a vibrant equine, meat, sheep, dairy and fruit and vegetable industry in that area which contributes to 80 per cent of Victoria’s food supply. That food feeds people in Melbourne, and we are prepared to burn that because we have been too lazy to look at an alternative source of water for Melbourne.

The government has been lazy and has ridden roughshod over communities, which is evidenced by the amount of feeling in the Northern Victoria Region. If government members chose to educate themselves and get out into those communities they might gain a real understanding of what is going on out there. They would be able to see how devastating their solutions will be to those communities and might understand that these people are not ugly people, quasi-terrorists or liars. They are people who are defending a way of life and the communities they have grown up in and lived in for generations. These communities contribute to the prosperity of Victoria. With the current philosophy of sucking lost water from those systems, I have a terrible vision of what the areas I love and represent will look like after this government’s modernisation of the area.

In summary, it is about time the government came clean and said, ‘We made a blue. We did not anticipate the drought would go on so long. We thought it would rain, and that is why we did not do anything. That is why we sat back. Now we are going to take that water from northern Victoria and give it to Melbourne. We know it is going to cripple those areas and leave them desolate and drought stricken with little or no future’. Government members should come clean and be honest. They did not get off their backsides quickly enough and have left northern Victoria high and dry.

Ms PULFORD (Western Victoria) — I think I speak for all Victorians when I say I am utterly confused about the position of the Liberal-National coalition on whether its members would have water flowing through the Sugarloaf pipeline.

Mrs Petrovich — How presumptuous, to speak for all Victorians!

Ms PULFORD — It is a pretty confusing position that Mrs Petrovich has put. ‘Never ever’, says the shadow minister for urban water, because we must preserve the rose gardens. The coalition also has a spokesperson for rural water. It is very clear why there is a spokesperson for urban water and another for rural water. It is so that opposition members can tell people what they think those people want to hear. Is the coalition’s position that water will flow down the pipeline or not, or is that a little bit complicated and they will cross that bridge if and when they come to it?

This is a particularly cynical motion by opposition standards on Wacky Wednesday. The government takes a comprehensive approach to dealing with record low inflows and a 12-year drought in Victoria, which includes supporting Victorians in using less water, assisting householders and industry with measures for recycling, identifying new water sources through the building of a desalination plant — the largest PPP (public-private partnership) on the go anywhere — and the very important upgrade to old and tired infrastructure in northern Victoria.

As Ms Darveniza said, the government is committed to providing additional water resources, in addition to our measures to assist people to reduce their usage, by creating significant savings. Those savings would be shared by Melbourne water users, who are making a significant financial contribution to this upgrade, as well as by irrigators and, importantly, would support environmental flows.

Clearly today The Nationals are setting coalition water policy. Obviously on another day it will be another
story. That is why it is so hard to work out where members of the coalition stand on this issue. I suppose it makes for a nice contrast: in so many areas the coalition has no policy, but in this area there are at least a couple. I suppose that is a positive change.

Mr Lenders — They have strayed to a policy.

Ms PULFORD — Yes, I know; it was a terrible oversight. The Nationals were in charge in the party room on this day; perhaps that is what happened.

The other important part of the government’s plan for securing water for all Victorians — for agriculture, for households and for industry — is the water grid and its continued expansion. This includes the Wimmera–Mallee pipeline and the pipe that will connect Geelong to Melbourne’s water supply. I would be very interested to know whether the latter project would come under the coalition’s rural policy approach to water or its metropolitan approach. Would there be some handing over of documentation from Mr Walsh to Ms Asher on the day that pipe is connected? Would that apply to any water system that is connected to Melbourne’s water system through this complex network of pipes? What about the Hamilton pipeline?

I am reminded of the goldfields super-pipe — the Liberal Party made an absolute meal out of this. In a slightly more glittering phase of his political career, when he was the federal opposition’s water spokesperson, Malcolm Turnbull played merry hell with water security in Ballarat — the town I live in — by positioning the Liberal Party in the most ridiculous way around the then federal government’s non-contribution to the goldfields super-pipe. That pipe has secured water for Ballarat and is providing security of supply for important industries that employ a lot of people — food manufacturers and others that rely on the water — and households. The quality of water has certainly improved noticeably in the time the water supply for my community has been augmented by the inflow through that pipe, which of course further up the line also secures water for Bendigo.

This government is committed to serving the water needs of all Victorians. Mrs Petrovich said something about this government having a lack of understanding of the needs and aspirations of regional Victoria, but I can tell Mrs Petrovich — perhaps she is listening in her office; she is no longer in the chamber — that the kind of understanding we have of the needs of regional Victorians is the kind of understanding that makes us do other than close — —

Mrs Peulich — Acting President, I draw your attention to the state of the house. There are only two government members in the chamber.

Quorum formed.

Ms PULFORD — As I was saying, Mrs Petrovich was concerned that the government does not have an understanding of the needs and aspirations of people in regional Victoria, but this government has done other than close 6 rail lines, 178 schools and 12 hospitals in country Victoria.

The coalition seems to have managed to have pulled out two policies on this, which as I said is in stark contrast to its absolute lack of policies on most other things. Perhaps some time between now and the election the mystery about whether a Liberal government would have water flowing through the Sugarloaf pipeline will be revealed, but until the opposition is in a position to articulate what it stands for on this issue, we will have these sleight-of-hand, cynical motions coming before us for debate on Wednesdays.

The government has been dealing with the challenges presented to Victoria by record low inflows and 12 years of drought, and the government has responded to the challenges caused by the drought in a number of different ways. It continues to support our rural families which have been so adversely affected by the drought. We are taking action to support people in reducing their water use; to provide water security for industry, for households and for all communities; and importantly to provide improved environmental flows to protect some of our beautiful and important river systems and environmental assets in the areas of our rivers. This motion really adds nothing of use to the debate; if passed, it would have the effect of denying a fair share of those water savings to Melbourne water users, who are investing some $300 million in the upgrades that will provide these savings, and also to environmental flows. It is a disgraceful motion, and I urge the house to reject it and its motives.

Mr DRUM (Northern Victoria) — It is with great pleasure that I rise today to support the motion before the house from Mr Peter Hall. It is not the first time that Mr Hall has led this chamber in water policy. The government knows very well Mr Hall’s water recycling bill was debated in this house but that it refused to debate it in the other house. It could have had Victoria and specifically Melbourne genuinely leading the way in water recycling as a means of replacing potable water that is currently used for non-drinking purposes. However, that never went anywhere because this
government refused to debate that bill and adopt that policy.

My contribution today will relate to the validity of the auditing system and of the savings. So far the debate has centred around what will happen post-2010. We know the government has earmarked the first 75 gigalitres for 2010, an election year. We understand the government is doing that because it wants to make sure water is coming through the pipeline before the election. Today the government says it will share the water savings equally going forward. The trouble is after listening to government members you cannot trust them one iota with anything to do with the north–south pipeline and the renewal project. In every aspect where the government has tried to legitimise savings that are not there it has had to create dodgy savings that do not exist. It is in that context that I wish to put my contribution today.

Total channel control (TCC), which is an automated, computerised system of augmenting the flow of water down the irrigation channels, is supposed to create significant savings. When you examine the documents and reports from the consultants, URS Australia, and look at the savings that were supposed to be derived from the CG2 (Central Goulburn 2) project, which is what it is using as a pilot project, the report makes some comments about the success rate of CG2. It states:

Despite a thorough assessment of flow measurements before and after the TCCS pilot, the uncertainty in measurements prior to the implementation of TCC made it difficult to calculate water savings using actual data. The uncertainty in flow measurements meant that the URS consortium needed to find a different approach to estimating water savings. The decision was made to use the consensus view of the project working group, and to assess the uncertainty associated with these estimates within our probabilistic BCA framework.

The project working group met at URS offices in Melbourne on 27 April 2004 to discuss the components of water loss with and without TCC in the CG2 pilot TCCS area. The assumptions presented in table 4-2 were agreed to. The project working group introduced the term DSL leakage to describe water losses associated with operating channels above their supply level. For example, it was estimated that typically 450 megalitres of water could be saved on CG2 by operating channels at their DSL …

That is how they were going to create the savings. What that means in English is that the experts in attempting to work out how much water will be saved by total channel control were unable to do it accurately. They got together and took what they considered to be a consensus view. They had a consensus around the table and looked at the tables and decided they would change the data in relation to the inputs. They suggested that without total channel control 17 000 megalitres was flowing through the system but with total channel control only 13 000 megalitres was flowing through the system. It is exactly the same channel with exactly the same amount of water; they have simply categorised it as a lesser amount. If less water is flowing through and the same objectives are being met, all of a sudden they have lifted the efficiency rating from 62 per cent to 77 per cent. They have plucked a 15 per cent saving out of total channel control without making any improvement to the system. They have simply doctored the books. This is set out in the technical data that this mob opposite says will create savings. Without creating any savings the Labor government, through its consultants, is magically creating paper savings out of thin air. That is an example where the government has cooked the books to create savings.

The government has gone ahead to try to legitimise the savings. The opposition is calling on the government to audit the savings. We say that the saving should be audited before the water is delivered to Melbourne, before a Melbourne authority is given bulk entitlements and before anybody is given an allocation of water. We want to see exactly how much water is being saved. To do that the government has come up with this technical document. The document outlining the auditing process is called the Technical Manual for the Quantification of Water Savings. It says that the audit process will ensure that water savings are both real and sustainable in the long term. The audit process can be applied to any calculation phase described in the technical manual. If the technical manual is flawed or wrong, it does not matter who the government gets in to audit the water savings — it will be bound to use this flawed document as a means of working out the savings achieved.

Mrs Petrovich has covered the fact that only phase 3 and phase 4 have been accounted for in relation to the auditing.

I turn to some of the changes that have been put in place in relation to the Dethridge wheels. For those people who do not understand the irrigation system all that well, the Dethridge wheel is what we call a waterwheel. The group that is organising how the auditing will be done has conducted some tests on the waterwheels. The government has decided that there is some unaccounted water and that an unauthorised average usage figure of 0.9 megalitres per year per wheel is going to be used in the calculations. It does not matter who the government gets to do the audit, because it is saying that 0.9 of a megalitre somehow disappears through unauthorised usage, although there is no proof that that actually happens. The government simply puts it in there and whoever comes along to do the audit will have to calculate the savings using that data of 0.9 of a megalitre for every wheel as gospel,
Mr Hall referred to this in his contribution. Also, when it comes to leaking through the service points or leaking through the Dethridge wheels, the government has gone through and worked out that 1.9 megalitres of leakage is to be attributed to each wheel. Now we are up to 2.8 megalitres. As Mr Hall said, the potential for leakage in and around the service points has been averaged at a further 0.4 megalitres. So 3.2 megalitres is going to be attributed to leaking waterwheels. If you multiply that by the 18 000 waterwheels that are going to be replaced — at a phenomenal expense, incidentally — you have in the vicinity of 60 000 megalitres that the government says is going to be saved.

Mr Hall — That’s a quarter of the 225, or the claimed 225.

Mr DRUM — But the problem, Mr Hall, is that again the figures are incorrect. We have internal documents that show that of the 634 wheels that were tested for leakage, just 10 per cent accounted for 96 per cent of all of the losses. So we have a situation where the vast majority of the waterwheels do not leak at all. I repeat that 10 per cent of the wheels account for nearly all of the losses, but in fact 7 of the 634 wheels that were tested account for half of all the losses.

In other words, seven waterwheels have been incorrectly fitted and left to fall into a state of disrepair, and they generate 50 per cent of all the losses. The internal documents are telling the government that in effect there is nothing wrong with the waterwheels; the internal water department documents are telling the water minister that there is actually nothing wrong with the security surrounding the waterwheels.

The minister does not want to hear this. He is saying, ‘No, somehow or other we have to come up with savings. If we cannot get the savings through total channel control, we are going to have to tell the people of Victoria we are getting savings by fixing up the waterwheels’. But there is nothing wrong with the waterwheels.

Our testing tells the minister that if the waterwheels were in good condition, if they did not leak and if the water that goes through them was accurately monitored, then there would be no loss or theft. If they were kept in good condition, their readings would be reasonably accurate. How then can anyone justify this injustice by saying that every wheel is somehow or other allowing 3.2 megalitres of water to go through it every year, and that therefore nearly 60 000 megalitres of water is disappearing through the waterwheels, when in fact the evidence in the government’s own documents proves that this is not the case?

In effect what you have is an absolutely deceitful government which has been proven by its own documentation to not be able to come up with the savings. Instead of putting its hand up and saying, ‘We are spending the money; however, we have not been able to achieve the savings we wished to achieve’, it is creating the savings by introducing a flawed document, a document that is full of lies and deceit that will mean that whoever comes along and does the audit is going to have to find the answer that the government wants them to find. There is not one scrap of honesty in the whole auditing process that is going to be set forth for the future. It has been left up to the irrigators to trawl through the technical documents to find this deceit by the Labor Party.

If the work that the government is doing is not going to create the savings that it envisaged, yet it is still going to take the water that it has always said it is going to take, who is it going to take the water from? The answer quite simply has to be that it is going to take the water from the farmers and the environment, because come 2010 it will be taking 75 gigalitres, come hell or high water, through the pipeline.

If the savings are not there, this mob, this pack of clowns, could not care less. They are simply going to take the water. The government has not generated the savings, but now it is going through the deceitful process of trying to prove that it has, saying there are more losses in the system than there are and therefore more savings in the system than there are. In fact this mob is so good at making losses that, according to its data, next year it is going to make more savings than losses.

The shadow spokesperson for water, the member for Swan Hill in the other place, has proven that in 2008 somewhere in the vicinity of 400 000 megalitres was lost in the system, 100 000 megalitres of which was in two swamps — at the Ramsar-listed Kerang Lakes and at Kow Swamp.

If you take those two iconic wetlands out of the losses, it comes back to around 300 000 megalitres lost, yet the Brumby government has already allocated savings in excess of 519 000 megalitres. When compared to the losses, that is nearly 150 per cent of savings. Any way you look at it, it is simply impossible, but we have a government that is devoted to spin, that is going to put its head in the sand and refuse to acknowledge that when the system is running at 30 per cent or 25 per cent
the losses are going to be minimal. If the losses are minimal, the savings are going to be minimal. If you are going to continually take the same amount of water to Melbourne, which has consistently been the call from this government, somebody has to explain where the water is going to come from.

For the government to say it has not changed tack on what happens to the water that has previously been allocated to the Snowy and the Living Murray project is an out-and-out lie, because the documents have been changed in the last year. They previously stated that 52 000 megalitres was heading to the Water for Rivers project, the Living Murray and the Snowy, but there has been a change in relation to quarantining 17 000 megalitres of that water for Victoria, as the government nicely says, which means it is for Melbourne.

Another piece of mathematical genius by this mob is how it has rationalised the system. Rather than go into a channel and fix it up, the government has simply said, ‘This channel used to be the responsibility of the water delivery system, and if it was the responsibility of the water delivery system, the water authorities also had responsibility for the losses incurred in that system. Once the water hit the farmer’s property it became his responsibility’. Simply by changing the position on where the responsibility is, this government reckons it has created savings. In moving the metering 2 kilometres further up the channel it now says all the losses incurred in that 2 kilometres that used to be its responsibility are Farmer Brown’s responsibility; all of a sudden those savings are genuine savings and the government will take one-third of them to Melbourne as well. It is simple sleight of hand in one of the most deceitful water policies you could ever imagine.

Government members sit here and argue. They say, ‘Why don’t you trust us?’. How on earth are we ever going to know how much water goes through the north–south pipeline? The other pipes originate in a channel system, so you have to run the water through the channel before you take water to Bendigo and Ballarat. Anyone with an interest in water can tell when the system is running. You can tell how much water has been let go below the gates at Waranga; you can tell how much water is going to be at Colbinabbin to start its journey through the goldfields pipeline. Anybody can monitor that. But how are you going to tell when the north–south pipeline has its nose stuck in the Goulburn River and is ready to suck away whenever it wants? They can simply turn those pumps on whenever they feel like it, and no-one is ever going to be able to audit how much water they are taking. It is going to be physically impossible for anybody to tell how much water this deceitful government is going to pump through the north–south pipeline. It can take what it wants and tell us what it wants. We do not expect this mob to tell us the truth on anything to do with water.

Government members are damned by their own technical document, because it is flawed. It is deceitful in the extreme, because it creates these so-called savings when there are no savings at all. They have rationalised the system. They have created false losses around water wheels. By removing the water wheels they say they are creating savings. It is so wrong I cannot believe they have the hide to stand up and argue it. It is all here in the internal documents that have been secured for the coalition.

They have rationalised the system. They are simply washing their hands of thousands of kilometres of channel and will hand those losses over to the irrigators, who will pay the same but receive less. They are taking away water that was intended for the Snowy River and doing all of this prior to commencing the audit as laid out in the Water Act.

An aspect that has been put forward by consultants to the coalition is the term ‘financial dependency’. If consultancy firms out there doing auditing work for the government have such a reliance on government contracts, it can be readily argued that these consulting firms have a financial dependency on giving the government the answers it wants. Which consultancy firm in regional Victoria is going to have the courage to tell this government the truth about these savings, knowing it will not have future contracts come its way? All Labor members know the answer to that question: not one. The spin that has been structured around this project is damning, and the technical document is absolutely disgraceful.

Mr Viney — You’re against the irrigation project; there is no saving it.

Mr DRUM — I have just explained to Mr Viney that this document, his own document, creates losses that do not exist. If he wants to read it himself, he is quite welcome to. I will point out the pages for him so he can look at the testing that was done around the Dethridge wheels and see that when Dethridge wheels are maintained they do not leak. His government rips 18 000 Dethridge wheels out of the system and claims nearly 60 000 megalitres in savings that simply do not exist, because the losses do not exist. If Mr Viney does not think that is deceitful, he has a conscience that has simply lost its bearings, because somewhere along the line farmers are going to have to find this water for their produce in some other way, and Mr Viney knows as
well as I that they will not be able to do it. He knows as well as I that if we leave him and his mob in government for much longer, there will not be an irrigation industry in northern Victoria, because it has had about enough of the policies that they have been putting forward. In the middle of the worst drought we have ever had and with future climate change bearing down upon us you would think the government might be in a position to help these people out and not make their plight twice as bad.

Mr Viney — If there are no savings, why spend $2 billion?

Mr DRUM — There are savings there. There are simply not the savings there that the government claims. The Nationals and the coalition have been totally consistent on this issue all the way through. We can go in and do the upgrade and the infrastructure improvements, because the system needs to be improved. It will create savings. It will simply not create the savings they are talking about. If they are prepared to accept that and that our position has not changed on that issue, we might be able to sit down and have a decent discussion about this, because there might be an agreement. They should fix the system up but not lie to us about the supposed losses that currently exist when those losses do not exist, especially when their own documentation proves it to them in black and white.

Mr Viney has documents from the government’s water authorities telling his water minister that these water wheels do not leak. However, the government has to find the losses somewhere, because without the losses it cannot find the savings. It should not worry about what percentages it is going to take to Melbourne or it is going to give to the environment or leave with the irrigator. This government comprises a deceitful pack of individuals that is going to create savings that simply do not exist. Those individuals are going to hand over the responsibility of thousands of kilometres of channelling to the irrigators so that the losses will now be assumed by the irrigators, not by the system.

Mr Viney — You should be careful about saying people are lying to you.

Mr DRUM — Mr Viney has his own document; he just does not want to read it.

Mr Viney — I do not ask for a withdrawal, but I think you ought to behave yourself.

Mr DRUM — If Mr Viney wants to stand up and in effect start rewriting history, that is fine. He does that every time he gets to his feet. But today we are talking about the very document that the government is going to use to audit this process — an audit that should have been done before any water was allocated anywhere; the government was supposed to have done this before it allocated water anywhere. It has not done it; it has created the manual for the audit to happen.

We could get the member for Swan Hill in the other place and water spokesperson for The Nationals to do the audit himself, and under this document he would be bound to find the water savings the government has mysteriously and magically created. Whoever does the auditing process is going to have their hands tied behind their back in trying to discover the truth, because they have to work with a document that is flawed, untruthful and deceitful. If Mr Viney thinks that is good governance, I wish him good luck.

Having made my contribution to the debate, I conclude by saying that I support the motion moved by Mr Hall. The opposition parties have no choice; the only way we can expose what this government is doing in relation to this project is to push forward with this disallowance motion; it is the only option we have. If the government wants to talk about this project being brought to us by the irrigators — I was going to say we will jump in a car, but to get around to people we might need to jump in a train — we will go to the north, talk to the irrigators and see how popular this project is.

In the vicinity of 95 per cent of irrigators in northern Victoria are against this proposal, which is a proposal the Premier said the government would never undertake. Once it decided to do it, it said it would never do it unless it had wholesale community support. Instead it has had wholesale community objections, but it has still gone ahead and done it.

Everything about the Labor Party and this project has been nothing but a fabricated lie. Mr Viney now has the document in front of him. It is a complete and utter fabricated lie, yet the government is still ploughing ahead with it without the slightest worry about the risk of being embarrassed. The only chance we have to hold the government to account is to continually push forward with this disallowance motion, and I support Mr Hall for doing that.

Mr KAVANAGH (Western Victoria) — Today we have heard some very strong points from both sides, for and against this motion. I will not go over all of them because they have been debated at length already, but it seems that two particular points were made.
Mr Viney asked where the water should come from if not from this project, and I refer again to a project I talked about a couple of years ago. Two former water ministers have supported the construction of a weir in the Otways. One of those ministers, Mr Glyn Jenkins, came to my office a couple of years ago to speak about that. There seem to be alternatives, including the one from the best water source in Victoria.

It should be noted also that the government has the power to overcome this disallowance motion, if it is passed, which seems relevant. In some ways I would prefer to abstain from voting on this motion, but I think that could be cowardly because it is an important motion and one on which a decision should be made. What I tend to do in the case of something I am not sure about is to think about what the people of Western Victoria Region would like me to do, and I tend to think that they would probably have an attitude very similar to the people of Northern Victoria Region on an issue like this. Therefore, with some reluctance, I will vote for Mr Hall’s motion.

Mr Hall (Eastern Victoria) — Given that we have had a very long — according to my records about 4½ hours so far — and at times interesting debate, I do not intend to be long in making some summations. But I want to comment on a couple of the issues raised in the course of the debate.

Most people have argued rationally in this debate; Mr Viney has been a bit provocative in some of the comments he made. In debates such as this there is at least one comment that really annoys me, and that is when I and The Nationals are accused of doing nothing to promote and enhance water availability in Victoria apart from supporting dams.

I want to make a point to Mr Viney in respect of some of the issues I have undertaken, and there are two major issues just in this current session of Parliament that I and my colleagues in The Nationals have undertaken. We put forward a private members bill called the Water Substitution Target Bill on 16 April 2008. We were prevented from debating that bill, because the government claimed it breached constitutional provisions. If it breached constitutional provisions, there was nothing wrong with the government itself taking charge of a bill of that nature and introducing it through the lower house.

We went to the trouble of preparing a very extensive private members bill which, if passed, would have led to a greater use of recycled water in the state; it would have made available far more drinking quality water for the people of Melbourne. I also point out to Mr Viney that I initiated the parliamentary inquiry that he was part of, through the Natural Resources and Environment Committee, that looked at identifying alternative water sources for Melbourne.

It was because of the concern of The Nationals and the Liberal Party that we should look at ways to increase water availability that we put forward activities like the two I just mentioned. We have not been complacent about this issue; we have a great interest in it. Rather than being inactive, we have been more than proactive on these very issues. I refute the claims made by Mr Viney in respect of our inaction on this matter.

In terms of the legalities of this motion, we are unable to substitute words in the bulk entitlement amendment order. Throughout the course of the debate it has been suggested that perhaps this amendment order could be enhanced by changing some of the terms and conditions in it. We are legally unable to do that. The Water Act allows this house of the Parliament to either disallow in whole or disallow in part this bulk water amendment order.

However, I say to the government: if my motion is successful, nothing prevents it from coming back and representing a further bulk entitlement amendment order. If the government does that, we would be more than happy to consider a variation to the current bulk entitlement amendment order. But we have some concerns that need to be addressed before we would ever contemplate agreeing to such an order.

I want to draw the attention of the house to these by way of reply. The first one of those is in respect of schedule 3 to the gazette, in this amendment, where it talks about ‘modernisation water savings’ and the audit process. It states that the savings are those:

… calculated in accordance with the calculation methods approved by the Minister for Water.

If those calculation methods were approved by the Parliament rather than by the minister, then we would have a chance of agreeing to some of this stuff. We say
very clearly: the audit process and the identification of water savings is the key to this debate. Rather than the government saying, ‘Trust us. We will simply have those calculation methods approved by the Minister for Water’, I say it should be open, transparent and honest; it should go through the process of having those calculation methods approved by the Parliament. That would satisfy a lot of our concerns with respect to the audit process associated with this subject.

The other thing I say to the government in respect of this motion and this amendment order is, ‘Why do you not try talking to us? Why not try talking to the Greens? Why not try talking to the Democratic Labor Party about the allocation of those savings? That simply has not occurred.

There has been no genuine effort by the government to talk to other political parties, nor has there been any genuine effort to talk to the community about the allocation of those water savings. We are prepared to look at the way in which those water savings are allocated. In my contribution I suggested a personal view that perhaps those savings should be allocated proportionately and simultaneously. We would be prepared to look at that concept, but nobody has been prepared to talk to us, the community or the other political parties. The government needs to do that first.

The other thing that needs to be addressed, which we have some grave concerns about, is that this bulk entitlement amendment order mentions again that the Northern Victoria Infrastructure Renewal Project, stage 2, will be based on future negotiations through the commonwealth. That position is contrary to all of the guarantees or commitments given by the government. It told us that the further 200 gigalitres that could reportedly be saved through stage 2 would be shared equally between the environment and the irrigators. Now we are told it is going to be based on future negotiations with the commonwealth. That is the sort of issue that is of real concern to us.

Finally, I say to the government: until such time as it is prepared to be more open, honest and accountable; until it is prepared to get some agreement with communities and other political parties about an audit process; until it is prepared to talk to us about water sharing arrangements, then it has no hope of getting this through. But we are prepared to undertake such negotiations, and I say again: if this is successful and if it is supported — and I appreciate the indications of Mr Kavanagh and the Greens, that they are prepared to support this motion, so it looks as though it will be successful — it is not a closed door from our point of view. The motion relies on the government to respond in a positive way. It should come back and talk to us and see if we cannot progress this issue a bit further.

Until such time as the government does that, then we have no choice but to move, through my motion, to make amendments that seek to disallow this bulk entitlement amendment order.

**House divided on motion:**

| Ayes, 20 | 
| --- | --- |
| Atkinson, Mr | Kavanagh, Mr |
| Barber, Mr (Teller) | Koch, Mr |
| Dalla-Riva, Mr | Kronberg, Mrs |
| Davis, Mr D. | Lovell, Ms (Teller) |
| Davis, Mr P. | O'Donohue, Mr |
| Drum, Mr | Pennicuik, Ms |
| Finn, Mr | Petrovich, Mrs |
| Guy, Mr | Peulich, Mrs |
| Hall, Mr | Rich-Phillips, Mr |
| Hartland, Ms | Vogels, Mr |

| Noes, 18 | 
| --- | --- |
| Broad, Ms | Mikakos, Ms |
| Darveniza, Ms | Pakula, Mr (Teller) |
| Eideh, Mr | Pulford, Ms |
| Elasmar, Mr | Scheffer, Mr (Teller) |
| Huppert, Ms | Smith, Mr |
| Jennings, Mr | Somyurek, Mr |
| Leane, Mr | Tee, Mr |
| Lenders, Mr | Tieney, Ms |
| Madden, Mr | Viney, Mr |

| Pair | 
| --- | --- |
| Coote, Mrs | Theophanous, Mr |

**Motion agreed to.**

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**CROWN CASINO: PRODUCTION OF DOCUMENTS**

**The Clerk** — I have received a letter dated 12 August 2009 from the Attorney-General:

**Order for the production of documents: Crown Casino**

I refer to my letter of 23 July 2009, regarding the Legislative Council’s resolution of 24 June 2009. That resolution sought the production of “all documents and communications held by the government … regarding or involving the state government’s recent decision to provide an extension of licence for the number of gaming tables at Crown Casino”.

My earlier letter referred to the public release of a number of key documents relevant to Council’s resolution. I now formally provide a copy of those documents to the Council.

The government is still in the process of assessing the balance of the documents relevant to the Council’s resolution. The government is working to respond to the Council’s resolutions as soon as possible. It is anticipated that we will be in a position to provide a response shortly.
Attached to the letter is a schedule of the documents being provided to the Council. They are as follows:

1. 21/04/09 — mutual confidentiality agreement
2. 23/04/09 — letter from James Packer to the Treasurer
3. 23/04/09 — letter from James Packer to the Premier
4. 4/05/09 — letter from the Treasurer to VCGR (Dunn) re: amendments to the casino licence
5. 5/05/09 — letters from Crown to VCGR and VCGR to Crown re: heads of agreement between Crown Melbourne Ltd and the State of Victoria — Applications to the VCGR
6. 5/05/09 — letter from VCGR (Dunn) to the Treasurer re: heads of agreement between Crown Melbourne Ltd and the State of Victoria — Applications to the VCGR
7. 12/05/09 — heads of agreement
8. 20/05/09 — letter from the Treasurer to the Premier re: Casino Legislation Amendment Bill 2009
9. 29/05/09 — letter from the Treasurer to the Minister for Gaming re: ninth variation to the casino management agreement (Ref: D09/47823)
10. 2/06/09 — letter from the Minister for Gaming to VCGR (Cohen) re: ninth variation to the casino management agreement
11. 3/06/09 — letter from VCGR (Cohen) to the Minister for Gaming re: ninth variation to the casino management agreement
12. 3/06/09 — letter from the Minister for Gaming to Crown re: heads of agreement between Crown Melbourne Limited and the State of Victoria
13. 4/06/09 — letter from the Treasurer to the Minister for Gaming re: ninth variation to the casino management agreement (Ref: D09/42782).

FRANKSTON PLANNING SCHEME: AMENDMENT

Ms PENNICUIK (Southern Metropolitan) — I move:

That amendment C50 to the Frankston planning scheme be revoked.

There are two broad reasons I am moving this motion today. Firstly, I believe that the minister has bypassed correct planning processes by using the priority development process to push through the Frankston City Council’s preferred development model for a massive marina at Olivers Hill by claiming that the proposal had been through a full environment effects process, when in fact the proposal allowed by amendment C50 is so substantially different from the original proposal as to be a new proposal and so should have triggered a new environment effects process, particularly due to the significant environmental risks that are inherent in the proposal that would be allowed by amendment C50. The priority development planning process is not a substitute for the statutory planning process that should have applied in this case. Secondly, I believe that the proposal allowed for in amendment C50 poses significant safety risks which have not been fully understood or assessed.

I am moving this motion today as the Greens spokesperson for the Southern Metropolitan Region and the areas around Port Phillip Bay, particularly those on the east side. As members would be aware, I have a longstanding interest in issues concerning Port Phillip Bay, including the channel-deepening project, the foreshore at Sandringham that is being eroded by an inappropriate breakwater, and this proposal, which I and many in the community believe poses significant risks to the Olivers Hill area and Frankston and Mount Eliza beaches.

Depending on what you read, there has been talk of a safe boat harbour or some upgrading of the existing boat ramp at Olivers Hill for around 25 years. It is mentioned in the Victorian coastal strategy and it is mentioned in the Central Coastal Board’s Boating Coastal Action Plan, a copy of which I have in front of me. I am a little disappointed with the statement made on page 80 of the action plan by the Central Coast Board in the chapter entitled ‘East Port Phillip boating area’, which reads:

A proposal for a marina at Olivers Hill at Frankston has been subject to an environment effects statement and approved in principle.

This is not the case, because the proposal that we have before us now has not been subject to an environment effects statement (EES). For that to be asserted in the latest iteration of the Boating Coastal Action Plan is a bit disappointing to see.

As I mentioned, the Victorian coastal strategy identifies Frankston as a place for a regional boating facility. Neither the Central Coastal Board’s Boating Coastal Action Plan nor the Victorian coastal strategy envisage or mention anything of the scale that is anticipated by the C50 amendment displayed by Frankston City Council on its website. In its list of regional boating facilities, the Victorian coastal strategy mentions Frankston and states:

A regional boating facility accommodates a significant amount of recreational boating in appropriate conditions.
I think ‘appropriate conditions’ is definitely a phrase we should hold in our heads during this debate, because whether Olivers Hill and the marina proposed for there constitutes appropriate conditions is something to be debated.

It is interesting to read through the Victorian coastal strategy, the last iteration of which was released in 2008. In the foreword to the strategy, Minister Jennings and Libby Mears, the chair of the Victorian Coastal Council, say:

This strategy responds to three key issues identified facing our coast:

- Climate change which will result in impacts on the coast, including rising sea levels;
- Rapid population growth in coastal areas; and,
- The health of our unique and valued marine environment.

They are the three key issues facing our coast at the moment. When we as a community are considering any developments on the coast, we need to be thinking about those key issues.

The strategy is divided into four sub-strategies. The first of those is intended to provide for the protection of significant environmental and cultural values, including marine biodiversity and ecosystems, wetlands and estuaries, onshore biodiversity and ecosystems, cultural heritage and planning for climate change, which is part of sub-strategy 2. I quote:

- This strategy gives direction for planning and managing the impacts of activities on and in the:
  - marine environment — includes the nearshore marine environment, the seabed and waters out to the state limit or 5.5 kilometres
  - foreshore — or coastal Crown land 200 metres from the high water mark

This is the siting we are talking about at Olivers Hill; it fits into this category of coastal Crown land. The proposed siting of the Olivers Hill marina is on coastal Crown land and looks at reclamining part of the seabed, which is also unreserved coastal Crown land.

The coastal strategy goes on to list the potential impacts of sea level rise as including coastal erosion; loss of beaches; loss of Crown land; migration of sand dunes; infrastructure threat or damage, including damage from frequent storms; more intense storm events; decreased rainfall; flooding and inundation; and damage to reefs. All these situations or factors will apply at the Olivers Hill site.

According to the coastal strategy, the most recent Intergovernmental Panel on Climate Change fourth assessment report concludes that:

- global average sea level has risen … at an average rate of 1.8 millimetres per year and since 1993 at 3.1 millimetres per year …

The strategy continues:

- Locally, recording stations at Lorne and Stony Point have recorded sea level rises of 2.8 millimetres per year and 2.4 millimetres per year respectively since 1991.

Adoption of a precautionary strategy suggests that a policy of planning for sea level rise of not less than 0.8 metres by 2100 should be adopted.

I understand that this has actually been increased to around 1.4 metres.

According to the strategy, storm surges will lead to damage to and loss of boats; damage to and loss of structures on the foreshore; entry of water behind sea walls, which is what amendment C50 is anticipating will be built out into Port Phillip Bay; inundation of low-lying areas; and damage to coastal vegetation and habitat.

The strategy goes on to say:

- There are three adaptation options:
  1. protect (protection of beaches, dunes and infrastructure; land use and development)
  2. accommodate (planning and building policies and provisions, redesign and rebuild)
  3. retreat (relocation of infrastructure, land use and development).

All these things need to be borne in mind when we are looking at putting any future developments on coastal Crown land. These factors have not been taken into account in the amendment we have before us now.

The Victorian coastal strategy also mentions the Future Coasts program, which is:

- … seeking to provide a comprehensive vulnerability assessment of the risk of climate change to the Victorian coastline by the end of 2010.

This is being led by the Department of Sustainability and Environment. I had a look on DSE’s website to track the progress of Future Coasts in terms of its comprehensive assessment of the vulnerable areas of the coast of Victoria. It says that an options paper or discussion paper is due, but it has not materialised yet. I thought we should not be pressing ahead and pushing
through major developments on the foreshore anywhere in Victoria, particularly in Port Phillip Bay, when we do not have that document before us. It is still at least another 18 months away, by the looks of things. We do not even have a discussion paper to look at. That sets the scene in terms of what is facing us with our coastline and the context in which we should be looking at amendment C50, which allows for what I have called a monster marina in the city of Frankston.

The state government and Frankston City Council are supporting the proposal and are the leaders of the cheer squad. They claim that many businesses are supporting it but do not supply much evidence of that fact. I can see there are probably many people in the community who would support a modest upgrade of the existing boat ramp facility at the end of Frankston South beach at the foot of Olivers Hill, but they are appalled by the C50 proposal and the process by which it has come about.

It was put to me that surveys in the community have shown some support for this C50 amendment. I presume that if you went to people around the city of Frankston and asked them, ‘Would you support a marina that would not have any environmental effects and where you could safely put your boats?’ people would say, ‘Yes’. However, if you told them that the marina would reclaim 22 hectares of the seabed, disrupt the sand movement between Frankston and Mount Eliza beaches and have a long-lasting impact — it will basically be forever — on those beaches, and that it would also involve commercial developments over the sea, run-off from the washing down of boats and infestations of marine pests, and asked them if they would support such a project, they would probably say no.

I do not know if they were asked the latter question; I am sure they were asked the former question. Certainly the residents around the Olivers Hill area who will, if this development comes to be, have this foisted upon their sightlines forever are not in favour of the marina.

Various local groups have opposed the Frankston marina department for a long time. They include the Beaumaris Conservation Society, Black Rock and Sandringham Conservation Association, Defenders of the South East Green Wedge, Frankston Beach Association, Frankston North Community Group, Friends of Baden Powell Bushland Reserve, Friends of Frankston, the Gould Street residents group, Kananook Creek Association, the Mount Eliza Association for Environmental Care, Mordialloc Beaumaris Conservation League, Peninsula Field Naturalists Club, Port Phillip Conservation Council and the Sweetwater Creek association.

That is a substantial list of committed community groups from around the area that see no value — environmental or any other — in the proposal that would be allowed by the C50 amendment.

As I said before, there has been talk about a so-called safe boat harbour — I think it started out as a safe boat ramp and it has now turned into a safe boat harbour — for about 20 or 25 years. The most recent history probably goes back to 1998 when an EES process was conducted. It looked at three options for a boat harbour at Olivers Hill. Option 1 was an upgrade of existing facilities with a car park, landscaping and stabilisation of Olivers Hill, which is significantly eroded and has ongoing problems. Option 2 was the construction of a harbour with a breakwater, land reclamation, the provision of a regional status boat ramp and a limited range of commercial facilities. Option 3 combined features of option 2 with 300 wet-berth moorings, a 200-compartment dry storage building, a marine maintenance facility and a commercial restaurant. The planning assessment found that while options 1 and 2 provided sufficient community benefit to justify their implementation, option 3 did not.

Following the 1998 EES there was an assessment by the then Minister for Planning, Minister Thwaites, in 2000, a supplementary panel hearing, a report and another assessment by then Minister Delahunty in 2003. Following all that the Frankston planning scheme was amended to permit the construction and operation of a marina and safe boat harbour on Crown land at the foot of Olivers Hill.

However, approval for that project, as it was then identified, was subject to the proposed development being financially viable, meeting clearly prescribed physical and commercial limits and safeguards and complying with environmental and engineering standards set out in schedule 3 to the special use zone in Frankston planning scheme. That proposal sat around for a while without a lot of takers.

In July 2005 Frankston City Council, supported by Tourism Victoria, conducted a market-sounding exercise to obtain information from the private sector regarding the construction and management of such a marina. In addition to this exercise, consultants Ernst and Young had earlier conducted a financial analysis of the proposed marina, which I was able to obtain from Frankston City Council’s website. That document was fairly weak in terms of saying whether the project had any viability. Basically those two documents said the
proposal was not financially viable. The Ernst and Young document does not have a date on it and is not signed by anyone, so I am not sure what status it has.

In the ministerial assessment of 2003 the minister put the stipulation that something would have to be done within three or five years, or everything would lapse: it was like a sunset clause. The years were ticking by, but nothing had happened. In the hope that something could happen — that something considerably larger might be financially viable — Frankston City Council developed a proposal to increase the physical size of the marina and the scale of on-site activities. This became the council’s preferred development model, which I understand the council agreed to in a closed meeting. That was in May 2007, when the council decided to refer this matter to the minister.

In November 2007 the minister requested that a priority development panel provide advice regarding the strategic justification for and appropriate alignment of the PDM (preferred development model) for the Frankston safe boat harbour, the appropriateness of the proposed changes to the existing planning controls, draft siting and design guidelines, and the appropriate process to give it effect.

This is where I make the point that I think the process has gone astray, because the preferred development model put forward by the council was for a much larger proposal than the proposal that had been through the environment effects statement and panel processes and had been assessed by previous ministers. In answers to questions I have put on notice the minister has admitted what the council has done. I asked him why this had occurred, and he said it was because the Frankston planning scheme prohibited such a development as the Frankston City Council itself was proposing, which was way over the scale of anything that had gone through any process to that stage.

The point I am making is this is where the process has gone wrong. Perhaps the Frankston City Council should have reassessed its position when it had option 3 before it, which just scraped through and had no financial viability. The council should have reassessed where the proposal was at that point instead of doubling or tripling the size of the development. The council should not have asked the minister to put the proposal through the priority development panel (PDP) process, which reported back to the minister on 23 April 2008. The advice the minister received was to support the preferred development model, and that he should exercise his powers under section 24 of the Planning and Environment Act and approve the PDM and amend the Frankston planning scheme without submitting the changes and amendments to a proper planning process and not allow third-party rights on the basis that adequate consultation had occurred.

The PDP report shows the whole process took place between January and April in 2008. The panel held a couple of meetings and looked through the 70 submissions. In terms of claiming there had been adequate consultation, I am told the PDP gave six of the community groups I mentioned earlier a total of 1 hour’s consultation in a closed room during which time they were asked to present their submissions to the panel. The panel later stated it had consulted widely with interested parties, groups and key stakeholders.

The last groups in the list I read out had very little time to make their presentations or be heard. People were not looking at the same proposal they had seen earlier; they were looking at a completely new proposal. I am also told that some people felt the PDP was not particularly interested in what they had to say. If you read the PDP report, Acting President, you will see that there are words to the effect that local community groups took the PDP processes as an opportunity to restate and rehash their opposition to the marina at Olivers Hill. There is no acknowledgement that the panel was dealing with a completely different proposal, notwithstanding any objections people may have already made and were completely within their rights to have.

I maintain that this inappropriate avoidance of a full EES process for the new proposal is another example of how the EES processes are not working for the benefit of the community or the environment in Victoria. That is why this house has agreed to send a reference to the Environment and Natural Resources Committee to inquire into the weaknesses of the EES process and its lack of independence when government is the proponent.

It is worth explaining what the C50 amendment provides for in saying that it provides for a significantly larger marina, with new and large commercial activities and facilities to be developed at the base of Olivers Hill, to that previously recommended by the 2003 planning advisory panel and which was approved by the minister at the time. Significant changes to the previously approved marina development that will be allowed by the C50 amendment without undergoing any statutory environment planning processes include allowing an increase in the size of the marina from 15.8 to 22 hectares and completely removing the upper limit of land that may be reclaimed from the sea. Previously there was a limit of 5.4 hectares, which in my opinion was an issue in itself with the previous approval, but
that has been completely removed so there is no upper limit. In effect, the whole 22 hectares could be filled in with infill development.

The new proposal includes the construction and operation of a 400-boat high-rise stack dry storage building, which was specifically and expressly prohibited by the previous approval, and the provision of a 60-unit hotel on the reclaimed area — that is, on the new Fantasy Island, as my colleague Mr Barber has dubbed it. I might add that under the Victorian coastal strategy that is not a marine activity, so it is inappropriate for that particular area. The new proposal also includes a proposal to increase the commercial area from 500 square metres to 2000 square metres, which is described by Frankston City Council as ‘only 2000 square metres’. All of this will be on the reclaimed Crown land projecting into Port Phillip Bay.

To avoid undergoing a statutory planning process the council has referred the proposal to the Minister for Planning through the PDP process, and he has exercised his powers under section 24 of the Planning and Environment Act, which he justifies on the advice he received from the PDP.

I have a photograph from a document put out by Frankston City Council entitled ‘Frankston Safe Boat Harbour Vision March 2008’, which is an amazing document in itself.

**Mr Barber** — Visionary.

**Ms PENNICUIK** — Visionary is an interesting adjective, Mr Barber. I am not sure what the vision is here. I ask that copies of this photograph be circulated to members in the chamber so they can have an idea of what I am talking about and that it be incorporated into Hansard. This is an artist’s impression of what we might have before us.

*Leave granted; see photograph page 4017.*

**Ms PENNICUIK** — I have had this photograph circulated to give an idea of the extent of the project. When one describes what this amendment would allow, it is very difficult to visualise the project. On this particular photograph I draw members’ attention to the way the project will impinge upon the foreshore and disrupt the movement of sand between Frankston South beach, the start of which is in the bottom left-hand corner, and the coast going up at the top of the photograph towards Mount Eliza. This issue was raised during the environment EES process as a substantial problem. I remind members that during the EES process the proposed development was much smaller, so members should consider the photo they have in front of them as reduced by one-quarter in terms of the size of reclaimed land and scale. During that process the Environment Protection Authority wrote to the EES panel and said many things, one of which was about sand movement and predictions. It stated:

> After examining the EES document, EPA has reservations about the clarity and method used to estimate the rate of sand deposition in this locality.

The EPA’s suggestion was to calculate the infill area between Beaumaris and Olivers Hill during the last 8000 years. Erosion rates would also need to be taken into account, as well as the rate of sand movement in the area. None of this has been done. The EPA went on to say that its:

> … experience with the history of similar structures in Port Phillip Bay and the failure to predict the effects of breakwaters, highlights the need to ensure sand movement is understood and addressed in particular to the north of the proposal.

The north of the proposal is what is in the bottom left-hand corner of the photograph and is actually the Frankston South and Frankston main beaches.

**Mr Barber** interjected.

**Ms PENNICUIK** — ‘Goodbye’, says Mr Barber correctly.

Certainly after I heard about this I said the same thing — that we need to learn from history before we start building huge structures on the coast of Port Phillip Bay and disrupting the sand movement. What happens when you build these sorts of harbours is you have sand silting up on one side and drifting away from the other; the other in this case is Frankston South beach. As I mentioned before, if you asked the good citizens of Frankston sitting on Frankston South beach whether they wanted a marina built to the south that would result in the loss of that beach, I do not think they would support it. But I do not think anyone has asked them.

The other problem with the planning process is that the action taken by the minister to refer this to a PDP directly conflicts with the recommendations contained in the 2003 planning advisory panel report and the 2003 planning minister’s assessment. That advisory report stated:

> … importantly, a signal is sent that the achievement of this objective cannot proceed heedless of relevant environmental conditions and information, or riding roughshod over significant and valid concerns of third parties who retain the potential to be adversely affected.
The final paragraph of the 2003 planning advisory panel report — the paragraph preceding its recommendations — states:

In closing, the panel wishes to provide its strong view that this is a borderline case —

and ‘this’ refers to option 3 in the original EES; it does not refer to this C50 amendment. The panel went on to say that in its view its:

… findings and recommendations represent the maximum credible and supportable response to the Olivers Hill proposal on the basis of current knowledge. If there should be an unwillingness or capacity to carry out the additional environmental investigations recommended in many instances now by the EES panel, the Minister for Planning and this panel, or if there should be a further desire to detract from third-party rights advocated in its recommendations, then this panel would consider on balance that the amendment should be abandoned.

With that in mind, Frankston City Council has come up with a much larger proposal. The minister referred that proposal to the PDP, and it has popped out the other end with the PDP agreeing with what Frankston City Council has basically requested the minister to do.

I do not get any joy out of criticising the actions of a local council, but I feel that doing so is in the interests of the wider community and the longevity and health of Port Phillip Bay, which is already subject to enough assaults. It has already had the channel deepening project. The government says that is going along swimmingly, but we know we have a toxic dump in the bay that probably has radionuclides in it. No-one wants to test that; certainly the government does not want to hear about that. It does not want to hear that half the nuclear waste stored at Maralinga comes from the CSIRO site on the Yarra River and that waste from that is going into the toxic dump in Port Phillip Bay.

Thus, as I said, we have already had enough assaults on Port Phillip Bay. We have heard that since the deepening of the heads there have been cases of previously unseen coastal erosion on both the Mornington and Bellarine peninsulas. Members opposite may think that is funny, but I do not.

As I say, the planning process has been misused in this case. I would like to refer to some information that members can find for themselves if they have a look at the priority development panel’s website.

Mr Barber interjected.

Ms PENNICUIK — I am sure she has. The DSE advisory note about PDPs says that a PDP is not a responsible authority or planning authority under the Planning and Environment Act 1987, so in my view it should not have been looking at this proposal. It is also not a substitute for Planning Panels Victoria in its role under part 8 of the Planning and Environment Act. That is clear; so what we find is that the Olivers Hill preferred development model from the Frankston City Council should have gone through a statutory planning process under either of those two bodies, and it has not.

The PDP website lists criteria, and the minister said in an answer to a question on notice asked by me that he referred this proposal to the PDP because it fulfilled the criteria. I struggle to see how it does fulfil the criteria listed on the PDP website. If members look at past projects, they will see that we have things such as the Henley Honda precinct in Camberwell; the Preston central activities centre and market; Frankston transit city; Monash University Caulfield campus — it has some controversy attached to it because it involves Crown land; the Joseph Road precinct in Footscray; Blenheim Street, Glenroy; the Mornington activities centre; the Burwood Heights activities centre; the Laverton air base; and the Banco site in Collingwood. None of those involve sensitive Crown land on the foreshore or reclamation of part of Port Phillip Bay. Current projects include the Pentridge prison redevelopment; a development on Ascot Vale Road; the Werribee Plaza extension; an activity centre in Fountain Gate; Watergardens stage 3; and the Footscray transit city, which I know my colleague Ms Hartland has an interest in.

Mr Barber interjected.

The ACTING PRESIDENT (Mrs Peulich) — Order! Mr Barber is out of his place

Ms PENNICUIK — None of these projects that the PDP has looked at before or is looking at now is comparable in any way to what is proposed at Olivers Hill. I say this is poor planning process.

Ms Huppert interjected.

Ms PENNICUIK — Ms Huppert has interjected, but I say that some of those projects are controversial. The point I make is that they are not involving Crown land on the foreshore. They are not involving reclaiming part of the seabed and potentially causing coastal erosion along the Victorian coast. It is completely inappropriate for this development to be lumped in with those sorts of developments. It is poor planning process, and it is potentially disastrous given the scale of the project before us. This is not just Kmart adding an extra floor of retail space at Werribee Plaza or someone adding more apartments to a particular
development, however controversial they may be. What we are talking about here is a massive development on public land in a sensitive area of Port Phillip Bay.

The Olivers Hill headland has stability problems. People who are familiar with the area know it is adjacent to natural beaches. Mr Pakula could take a bike ride down there as it is not far from Black Rock. The headland has stability problems and is adjacent to natural beaches which will be changed forever by the proposal. The proposal will claim part of the seabed and turn it into 20 hectares of new land jutting into Port Phillip Bay with a huge commercial development on it.

This proposal is not the same proposal that was subject to an EES 11 years ago, and any reasonable person would agree that such a proposal should be the subject of a new EES but that has not happened with amendment C50. The proposal approved by ministers Thwaites and Delahunty has been thrown out, and a significantly larger development with few environmental, social and financial safeguards has been endorsed by the current planning minister without a proper EES process being undertaken. The full environmental effects of this proposal are not known, because it has not been subject to an EES process. There should not be any agreement to a planning scheme amendment that allows such a development on public land — Crown land — owned by the people of Victoria without such a process. I maintain the PDP process is completely inappropriate and that the minister has misused the planning process in this regard. At real risk is the Frankston South beach that is presently enjoyed by more than 100,000 residents and visitors each year and that may be lost or severely depleted. We are looking at the possible silting of Davey’s Bay, which is south of the proposed marina on the way to Mount Eliza, and the accumulation of areas of stagnant, dirty mud and ooze and refuse alongside the proposed marina breakwater.

Olivers Hill is an iconic coastal feature of Port Phillip which is enjoyed and recognised by visitors from far and wide. Anyone who goes to Frankston enjoys Olivers Hill. It is a particularly spectacular sight from the sea, and the visual impact of the marina at this location has not been given due consideration. Would they be doing this at the foot of the white cliffs of Dover?

Honourable members interjecting.

The ACTING PRESIDENT (Mrs Peulich) — Order! The cross-chamber conversation makes it very difficult for me to hear the member on her feet. I ask members to desist.

Ms PENNICUIK — Thank you for your assistance, Acting President. I mentioned some safety issues at the beginning of my contribution. I am concerned that this project will be anything but a safe boat harbour. It will not be located in a natural safe harbour area but on an exposed part of the coast. Many experts have raised concerns about the possible disastrous effects of such a huge development on Frankston’s beaches. I have in my possession, but will not read out, assessments from geomorphologists and other coastal experts raising concerns about this proposal.

Many more people use the beaches than use boats, and the preservation of the beaches should be the no. 1 priority. I acknowledge that is what the Frankston City Council has said, that the beaches are not negotiable. Unfortunately I cannot see how it can make that statement that the beaches are not negotiable while at the same time supporting this development and the ruination of the headland that amendment C50 would allow. Recent storm surges at Frankston, McCrae, Mount Eliza and Portarlington, described by local residents as on a scale unseen before, should give the minister and the council cause for caution. The proposed marina would be built on the most unsafe part of Port Phillip Bay for boating activity.

The coast at Frankston has no natural shelter and is regularly exposed to strong and gale-force onshore winds. The marina will be on a lee shore most of the time. It will be on that part of the coast towards which the strong prevailing winds, the north-westerlies, blow. A safe boat harbour would not normally be constructed on an open stretch of coastline confronting 25 miles of open water.

In adverse weather, with onshore winds, a boat skipper should not be encouraged to seek shelter in the Frankston marina. The exposed location of the proposed Frankston marina violates all prudent criteria used to plan and locate a safe harbour. The location at Olivers Hill is exposed to the dominant and prevailing onshore winds which blow from the north in an anticlockwise direction to the south-west.

There is no other shelter nearby, as people familiar with the area would know. If yachts are unable to enter the marina in strong onshore winds, there is nowhere else for them to go other than onto the rocks. If the entrance to the marina is designed to minimise the flow of sand into the harbour, which we presume it would be because we do not want it silting up, boats desiring to enter the harbour would have to turn into the prevailing westerly winds to pass through the entrance. In strong onshore winds that will be an extremely hazardous manoeuvre.
This information comes to me from Captain Frank Hart, a master mariner and retired harbourmaster of the ports of Western Port and Hastings from 1996 to 1998. He is very familiar with the area and with the waters of Port Phillip Bay. He, and others, have raised these concerns, and I am very thankful for his advice on this. He says Frankston in general and Olivers Hill in particular are not suitable locations to site and build a marina.

It is not just Captain Hart, though. The government’s own safe boating guide shows Olivers Hill to be the most dangerous part of Port Phillip Bay in winds blowing from the north around to the south-west, which are the most prevalent winds on Port Phillip Bay. For most of the year winds blow from these directions. With the passage of a frontal weather system, small boats on Port Phillip Bay may suddenly find themselves engulfed by strong winds blowing them towards Frankston. Knowing a marina was located at Frankston, someone in a small boat would be likely to head in that direction to seek shelter from the strong wind and rough seas.

A boat harbour that is located on an exposed and rocky part of the coast will attract boats into an extremely dangerous situation. The boat and crew are most vulnerable once the decision has been made to seek shelter in the marina and as the boat gets closer to it. Particularly if there is gear breakage or an engine failure or if under the stress of the heavy weather the boat is unable to manoeuvre efficiently or sail into the wind, it is likely to have great difficulty in entering the marina and there will be grave danger and risks of being blown ashore. This situation will be made worse in the dark. There is a potential risk of loss of life and loss of boats. These dangers will be increased if the entrance to the marina is designed to minimise suspended sand.

I refer to page 32 of the most current version of the Victorian Recreational Boating Safety Handbook, which boaters in Port Phillip rely on. On that page there is an explanation of waves and wave heights in Port Phillip Bay and a colour-coded map representing them. People can find the Victorian Recreational Boating Safety Handbook on the Marine Safety Victoria website. Various shades of blue represent wave heights on Port Phillip Bay when the wind direction is north-west and the wind speed is 20 knots — as is very common in Port Phillip Bay, as members will know if they listen to the weather reports.

The colour coding goes from light blue to medium blue to very dark blue. Dark blue means that the waves will be bigger than 1.2 metres, given the wind speed and direction. There are only two places on the bay that are shaded that particular dark blue on the map: the area directly off Olivers Hill and a little bit further down the coast off Mount Martha — where, amazingly, two so-called ‘safe boat harbours’ have been put.

This planning scheme amendment is proposing to put a so-called safe boat harbour in the most dangerous part of Port Phillip Bay. It is worth noting that the east side of Port Phillip Bay is the less safe side. The west side is more sheltered, because of the prevailing weather conditions on Port Phillip Bay. Pretty well most places on the east coast of Port Phillip Bay are not suitable for safe boat harbours, and there have been a lot of problems. The other thing to say about that is that, with few exceptions, marinas are generally located in ports, harbours, rivers and estuaries, where there is some natural primary shelter from prevailing onshore winds. The location of the proposed Frankston marina is totally unsuitable in this regard.

This issue, which does not seem to have had any attention, is one I think the government and the Frankston City Council should pay more attention to, because we do not want to be spending millions of dollars on such a facility, or on any facility, really, that is unsafe. The independent panel looking at the Bastian Point boat ramp very strongly recommended that that project not go ahead; however, despite an independent expert panel saying that for safety reasons it should not go ahead, the minister decided that he knew better, did not agree and would not listen to that advice and would approve the boat ramp at Bastian Point.

The two projects are not unrelated because, as Captain Hart says and as the independent panel at Bastian Point says, the very existence of an upgraded boat ramp, where Tourism Victoria and the Department of Sustainability and Environment are encouraging people to go, puts lives in danger, because people — many of them inexperienced — would be going into dangerous waters, the weather can change very quickly and people can find themselves in strife. It is incumbent on the government to make sure it takes these issues into account; that has not been done in this case.

I have only a few more remarks about the financial side of the proposal. The last information I saw on the Frankston City Council’s website was a bit like the channel deepening issue — the cost of what they are proposing started at around $2.5 million and is now about $70 million. I again refer members to the photo I circulated. If anyone thinks that is going to be built for $70 million, I think they are dreaming. If we were stupid enough to allow that circular arrangement to be built from rock, there would be more rock than people
think, because it is going to have to withstand waves of at least 1.2 metres and much higher when the wind is stronger than 20 knots. I have been given an estimation that the cost of supplying that rock alone will be $35 million, and that is before we go past go.

It is interesting to read the press about the financial viability of marinas. On 12 May an article in the Australian Financial Review said:

Sales of marina berths are collapsing as fast as luxury boatbuilders, forcing developers to cut prices and accept offers from savvy commercial buyers.

... 

... Phil Sullivan, former chief executive of City Pacific, one of Australia’s largest developers of marinas with 250 berths under way at Martha’s Cove on Victoria’s Mornington Peninsula ... expects the failure of boatbuilders will severely impact developers of berths elsewhere in Australia.

In yesterday’s Age Carolyn Cummins reported that:

Macquarie Leisure Trust has reported an 11.7 per cent decline in value across its global property portfolio due to the collapse in asset values.

... 

... the hardest hit asset was the d’Albora Marina portfolio, which fell 16 per cent, from $97 million to $81.5 million, reflecting the decline in boat ownership, particularly in the previously much sought-after Sydney Harbour marinas.

The story of Hastings marina is worth mentioning. The original builder/owner of the Hastings marina went bankrupt in the late 1980s. It was then bought by a group headed up by a hotelier which went bankrupt in the mid-90s. It was sold by the ANZ Bank in 1998 to the present owner for about $4 million, of which $1 million was spent by the bank on sealing the public car park in compliance with the lease. The lessons to be learnt from the Hastings marina development are that even with a high occupancy rate, supported with dry boat storage, boat service facilities, restaurants and retail outlets, net income is unlikely to service high capital investment, and boy, will the C50 amendment need high capital investment!

No feasibility studies have been completed for the enlarged and expanded Frankston marina that is now proposed, and that is a problem. As many people have said to me, it will probably never get anyone to back it, but the problem I have is that we have had a poor planning process, given that it has been allowed to get this far, and we have such a ridiculous amendment going through the PDP process inappropriately. To have this amendment to the Frankston planning scheme on the books is a concern to me and many in the community.

In summing up I reiterate for the record the proposal that the Frankston council has put forward. The safe boat harbour will include a regional boat ramp with five ramps and dual landings; wash-down, rigging and de-rigging areas; a boat refuelling area; a minimum of 30 public overnight berths; up to 300 permanent wet berths; up to 400 dry storage berths, which were totally rejected by the first panel; and up to 60 short-stay accommodation units. Why are we building short-stay accommodation on reclaimed Crown land over the seabed at Port Phillip? It also includes associated parking and turning areas for vehicles and trailers; outdoor recreation facilities; a restaurant/cafe; marine-related retail and commercial businesses such as pleasure boating, chandlery, and bait and tackle; a potential tourist and commuter ferry platform; other marine-related services; workshop and boat repairs; sale of boats and equipment; and accommodation for local clubs and emergency services. None of this has been through any proper planning process. This information bulletin which I recovered from the Frankston City Council fails to mention the helipad that members can see on the photograph I circulated.

Hon. M. P. Pakula interjected.

Ms PENNICUIK — I could go through the whole safety argument again, if Mr Pakula would like, but if he looks at the photo and thinks that is a safe place to put a helipad, I will eat my hat. Because of the environmental risks, because of the misuse of the planning process and because of serious safety problems I urge all members to support the motion I have brought before the house today.

Mr GUY (Northern Metropolitan) — I rise to speak on the motion moved by Ms Pennicuik that amendment C50 to the Frankston planning scheme be revoked, and I thank Ms Pennicuik for a very thorough analysis of the situation we are debating. From the outset I put on record that the Liberal-Nationals coalition views disallowance motions with the utmost seriousness, and in fact — —

Ms Pennicuik — In fact we just supported one.

Mr GUY — We have in fact supported one in this chamber, and we have opposed others as well. As I said, disallowance motions are treated with the utmost seriousness by those on this side of the chamber in the knowledge that they set a precedent for future plans and bring the Victorian Parliament in as part of the planning system, if you like, through its possibly making a final decision on a development. We all know how the government has treated some disallowance motions in this chamber in the past few months. The last
disallowance motion that this chamber debated was in relation to the Barwon Heads bridge and was successful. If you head down to Barwon Heads today, you will find bulldozers on the beach and a proposal for a two-bridge option — I will not say solution — being put in place. This chamber chose to reject that option but the government used section 16 of the Planning and Environment Act to usurp the Parliament and allow the proposal to move forward.

Mr Koch — What a disgrace.

Mr Guy — It is a disgrace. I say from the outset that the reason the coalition supported that disallowance motion is very clear. There was a second option in that proposal — and a third option as well. There was an option to ensure that the community had the facility that was being proposed but one that was a better option than that which was put forward by the government at that point in time.

The option we have today is a simple yes or no, because the planning scheme amendment is needed for the development proposal for the Frankston marina to proceed. If the Parliament votes it down, we are saying no whatsoever to the proposal. If the Parliament says otherwise, it will proceed. As I said at the outset, the Liberal-Nationals coalition views disallowance motions as the be-all-and-end-all answer to people’s concerns about developments.

I am sympathetic to a number of points Ms Pennicuik raised in relation to process. I understand that the minister has overlooked significant environmental concerns raised by the 2003 panel report specifically relating to Olivers Hill, and I also understand that the EES (environment effects statement) and the supplementary EES that were conducted related to a different proposal. It is fair to say that we share the concerns Ms Pennicuik raised about process, or the minister’s behaviour, if you like, in the treatment of those environmental reports.

It is also fair to say, though, that a lot of concerns have been raised by people about issues relating to Olivers Hill. I have been alerted to a press release put out by the federal member of Parliament for the local area, Mr Bruce Billson, in November 2007. For a period of time he lobbied for money for the construction of environmentally compatible seawalls to support safer boating facilities in Frankston. Mr Billson, who is an excellent member of the national Parliament, obtained funding of $2 million from the previous federal government for the implementation of those environmental works, which I note was not matched by the state government. In fact around $25 000 went to Frankston City Council to jointly fund jetty repair works at the Olivers Hill boat ramp, and again this was not matched by the state government. So the local federal member of Parliament has identified that there are issues related to Olivers Hill as well as environmental concerns that need to be addressed. I have noticed that in the specifications for this material on Frankston City Council’s website there are a number of points raised about the successful tenderer needing to look at some of the environmental works in relation to Olivers Hill. There are clearly some environmental issues there that must be addressed before anything happens in relation to a boating facility.

The location of the proposal has also been raised with me as being a concern to some people. The Frankston Beach Association pointed out to me that its preferred option is to have a facility closer to the Frankston central business district (CBD), and I understand the basic premise for that option. Obviously if the marina is within walking distance of the Frankston CBD, it would be a little easier for people to access; I understand that. I have made the point about the EESs, both of which were conducted on much smaller proposals, and I have also been alerted by the same group to some geological issues related to the stability of Olivers Hill and the Selwyn fault line running under the Olivers Hill fault line.

Mr Barber interjected.

Mr Guy — Mr Barber has developed a penchant for interjections in the last 24 hours. I do not know where it has come from; maybe the coffee has been stronger in the Greens’ party room. We have all noticed it. I welcome Mr Barber to partisan politics. It is very interesting to see him come on board.

I have also been alerted to a number of points made by other people relating to the desire to have a boating facility on the eastern side of Port Phillip Bay. Whilst acknowledging that erosion and environmental issues with Olivers Hill must be addressed, that there has been an upscaling of the project and further that members on
this side of the house would clearly have preferred a much more transparent and contemporary process in relation to the environmental effects process, we do not believe it is in the best interests of the Frankston community to simply pull the plug on the entire proposal. Therefore, we will not be supporting the disallowance motion by the Greens today.

The economic benefits of a marina in Frankston have been outlined by Frankston City Council, and I understand them. There are also the obvious tourism concerns.

Mr Barber interjected.

Mr GUY — It is pretty clear. If you want to take in the facts and if you want to remove environmental concerns and process concerns and look at the basic premise of building a facility that is a safe boat harbour in Frankston, then say yes or no — —

Mr Barber interjected.

Mr GUY — It may not, but the reality is that if you build a facility there, of course it is going to have an economic impact. We have raised concerns about the environmental and process issues that exist, and I accept them. Mr Barber’s colleague Ms Pennicuik has raised them. But to run around saying that there will be no economic benefit from a facility being constructed at that site is not true.

I note also that some boating groups are saying they are looking forward to a safe boat harbour being built in this location — that is, the general Frankston area — and I understand that. Why wouldn’t they?

In conclusion I simply say that the Liberal and National parties will be opposing the motion moved by Ms Pennicuik. Whilst we have significant concerns with process and with some of the unresolved environmental issues — and I trust that the successful tenderers for this bid may be able to address those issues further at some later stage — we will not be voting for this disallowance motion.

Ms MIKAKOS (Northern Metropolitan) — The government will be opposing Ms Pennicuik’s revocation motion. Before commenting on the position of the Greens party I want to make a few brief comments on the opposition’s position and, firstly, to put on record that the government appreciates the fact that the Liberal Party has indicated it will not be supporting Ms Pennicuik’s motion. But I was disappointed in the contribution made by Mr Guy, because I was waiting for the unequivocal support for this project that previous members of his party have shown in the past. In particular I refer to adjournment items raised by Andrea McCall, a former member for Frankston in the other place; Cameron Boardman, a former member for Chelsea Province; and Mark Birrell, a former member for East Yarra Province and doyen of the Liberal Party.

In particular I want to refer to an adjournment matter raised by Mr Birrell on 4 June 2002, in which he referred to ‘the overwhelming need for Port Phillip Bay to have a new marina or safe harbour’. Whilst Mr Birrell and I certainly disagreed on many things debated in this place over the years, I would concede that he was a very valuable member of the Parliament and of the Liberal Party. I encourage members opposite who are still hesitant about this issue, and perhaps other development issues, to have a discussion with Mr Birrell, because I am sure he would be encouraging Mr Guy and others in his party to support things like DACs (development assessment committees) and other proposals that are about supporting jobs in this state.

We appreciate the fact that the opposition is not going to be party today to the wrecking exercise of the Greens political party. It is interesting that yet again the Greens party comes to this place with a motion to revoke a planning scheme amendment. That party is clearly on record now as being anti-progress. In fact they are true conservatives, because they like to badge themselves as a progressive party but they are not. When it comes to planning issues, which are about providing more affordable housing to the people who the Greens party purport to represent, the disadvantaged in this state, the Greens time and again oppose any development that will open up housing affordability.

In relation to this planning scheme amendment, Ms Pennicuik was very telling in her remarks about the Greens party attitude to planning, when she referred to any proposal that might be controversial. I do not know whether the true test on whether some planning matter should be supported is if it is controversial. The true test should be whether there will be a net community benefit.

From the prism of a net community benefit you would have to say unequivocally that this proposal should be supported, because it is a project that will support jobs and economic growth for Victoria; but it will also enhance the Frankston locality; provide growth for all businesses in that area, and should be supported for that reason.

In her contribution Ms Pennicuik referred to a range of projects that have been referred to the PDP (priority development panel) in the past. I wonder whether the
Greens party is supporting any of those projects, because we have seen time and again that they have come here and opposed good projects that are about enhancing amenities, services and housing affordability for our fellow Victorians.

I want to come to the detail of planning scheme amendment C50, which was adopted by the City of Frankston on 26 May and gazetted on 4 June. The amendment will provide for up to 300 permanent wet berths, 400 dry berths, public boat launching ramps, retail space, short-stay accommodation and extensive areas dedicated to public space. The Frankston safe boat harbour project will provide significant employment opportunities during its construction and ongoing operation, both on site and off site. I note that in a document entitled ‘Frequently asked questions’ put up by the council on its website, the council refers to the project creating:

… up to 2000 jobs during the construction, which will create an immediate flow-on effect to their local community.

The document goes on to discuss:

… the creation of a further 300-plus permanent jobs and increased tourism will see the project as a prominent part of the development of Frankston …

Mr Barber interjected.

Ms MIKAKOS — It is interesting that Mr Barber is making interjections with cheap shots about the City of Frankston document. I thought the Greens party purported to be the party that stood up for local government. We have here a proposal supported by that local council, yet the Greens party wishes to disregard the views of that council.

The council has invited registrations of interest for the design, construction, operation and maintenance of the Frankston safe boat harbour project. This registration of interest process, which commenced on 6 August, will lead to a subsequent select tender process that is expected to take 12 months. I hope Ms Pennicuik’s exercise here today is not intended to shake confidence in any of those developers or proponents who might be seeking in coming days to express an interest through the registration of interest process.

Ms Pennicuik referred to the cost of the project. It is important to emphasise here that this is a privately funded project. If the private sector does not believe it stacks up, as Ms Pennicuik was trying to suggest in her contribution, then obviously it will not tender and it will not go ahead. Public funds are not being invested in the construction of the marina itself; that will be privately funded, and it is really an exercise in whether the private market will come to the party and consider that this is a project worthy of support. In relation to the other issues Ms Pennicuik raised in her contribution — in particular, the issue of the EES — I want to address that point and also her points about the process overall.

The Frankston safe boat harbour and marina project received its initial planning approval back in 2003 following an environment effects statement and planning scheme amendment process and a planning panel review, and in May 2007 the City of Frankston adopted a preferred development model (PDM) for the project. The PDM formed the basis for the proposed land use changes to the approved planning scheme introduced in 2003 and also in relation to the current C50 amendment that we are discussing today. But the proposal itself — the whole idea of a safe marina for Frankston — is one that, I understand, certainly from the documentation provided by the council, has been discussed in the local community for a good 20 years, and I understand it has had considerable public support over a long time, leading to very strong support more recently by Frankston City Council. The concept of a safe boat harbour is also supported by Tourism Victoria, the Department of Sustainability and Environment, the boating industry and many local residents.

Ms Pennicuik interjected.

Ms MIKAKOS — I would encourage Ms Pennicuik to engage that local community in a more robust way to determine the true feelings of the community over this issue.

Olivers Hill, Frankston has been identified as an appropriate location for a safe boat harbour and has received strategic support through a considered planning process which included an environment effects statement and a panel review.

Ms Pennicuik sought to refer at some length in her contribution to the EES which was undertaken in 1998 and is a transparent public environmental assessment process. It assessed the impacts of rezoning approximately 35 hectares, which is actually greater than the current 22 hectares considered in the current proposal, and the EES gave in-principle support providing that certain requirements were met. So Frankston City Council’s revised model encompasses 22 hectares and is still within the parameters initially tested by the EES. The incorporated document will ensure that all details, including the area of land that will be reclaimed through the development, will be assessed prior to the approval of the final design of the development.
In relation to the EES, the amendment itself also requires a whole list of approvals to be granted before the project will be able to proceed. The document that lists frequently asked questions, as provided by the City of Frankston on its website, refers on page 4 of that document to a whole lot of different approvals that will be required, but it specifically says:

The project will be carefully managed to ensure environmental controls are met. Council has always emphasised the safe boat harbour development must:

- safeguard Frankston beach
- allow for at least 0.8 metres predicted sea level rise
- showcase excellence in design
- provide high-quality public areas with strong linkages to the city centre.

The document goes on to say:

A condition of the Frankston planning scheme requires the developer to undertake physical and numerical modelling to ensure the design does not have any adverse impacts on the surrounding beaches to the satisfaction of council and state government prior to commencing any works. This modelling will also be subject to an independent peer review. If council is not satisfied adequate environmental safeguards have been put in place it will not proceed with the project.

There are a range of additional protections and conditions that will need to be satisfied as a condition of this project proceeding. The EES also found that the proposed boat harbour will have relatively little impact on the coastal processes of Frankston beach.

The design guidelines that are indicated in the incorporated document require the preparation of a construction environmental management plan and an operations environmental management plan through the tender process, which will ensure that appropriate environmental assessments are undertaken prior to the commencement of the works, and the design guidelines of the amended development model require an assessment of the potential impacts of environmental issues as identified in the Victorian coastal strategy 2008.

In her contribution Ms Pennicuik made a range of comments about process, and I want to comment on those briefly. As I said before, this project has been discussed at some length in the local Frankston community for a good two decades. Many documents have been prepared in the past and different processes have been undertaken, including public consultation processes. I want to briefly refer to some of those.

Obviously there was the EES itself in 1998. In 1999 there was an advisory committee empanelled to consider the EES. In 2000 there was the minister’s assessment of the advisory committee and panel report. In 2003 the planning panel’s process considered amendment C15 to the Frankston planning scheme and its panel report. In 2003 there was a minister’s supplementary assessment, and in 2004 amendment C30 to the Frankston planning scheme was adopted, providing reference to the minister’s supplementary assessment report.

The incorporated document requires the following assessments to be completed prior to the commencement of the works: a concept plan, a master plan to include the parking access and circulation plan, construction, environmental management plan; operations, environmental management plan; project impact assessment and a detailed development.

In addition to that, coastal consent would be required under the Coastal Management Act 1994 prior to the commencement of any works. So there is a very detailed process that has already been embarked upon and will be embarked upon before this project is completed. But there has been an opportunity for the community to be engaged through these various processes over the year, in particular during the priority development panel (PDP) more recently, in November 2007, which provided advice to the minister, and the PDP engaged with representatives of Frankston City Council, DSE, other government agencies and stakeholders from both local business and residential communities.

The Minister for Planning has endorsed all the recommendations of the PDP and released the PDP report to the public in September 2008, further enabling the community to satisfy itself about the range of issues that have already been examined by the PDP and other government agencies over time.

The PDP working party has subsequently worked with council to prepare the planning scheme documentation, including a revision to the incorporated document ‘Frankston safe boat harbour, June 2008’. An information session was hosted by Frankston council and included an officer from DSE and the chair of the PDP. The revised planning scheme documents were provided to interested parties for review and comment, and this included the opportunity for written submissions. So there has been quite a lengthy process to date in relation to this project.

In conclusion, I reiterate that the government will be opposing this motion to revoke planning scheme amendment C50. It believes that there has been an adequate process to date in relation to this project. It
also believes that if this project is supported by the private sector through the subsequent registration of interest in the tender process and goes ahead, it will provide a net community benefit to the Frankston community. The project will provide for jobs both during the construction phase and also once the project is complete, and for those reasons the project should be supported.

Ms HUPPERT (Southern Metropolitan) — I wish to make a few brief comments in opposition to Ms Pennicuik’s motion to revoke amendment C50 to the Frankston planning scheme. The reason I wish to make these comments is that I am rather bemused that Ms Pennicuik, as a member of the Greens — the party that claims to be the defender of local democracy — is taking this opportunity to seek to revoke a planning scheme amendment which Frankston City Council not only supported but proposed.

The purpose of amendment C50, as Ms Mikakos outlined in great detail but very succinctly, is to allow the construction of a safe boat harbour off Olivers Hill. The planning scheme amendment follows 20 years of planning by the Frankston City Council and local groups in order to facilitate what will be a private sector development funded by the private sector.

Ms Pennicuik — On public land.

Ms HUPPERT — As Ms Pennicuik has pointed out, it will be on Crown land, but it will be Crown land of which Frankston City Council will be appointed the committee of management and the leaseholder. If there is a successful tenderer who puts forward a development that meets the strict environmental criteria set out in the planning scheme amendment, then that developer will be required to negotiate a financial return to Frankston City Council under a lease to be entered into. This is a development which will deliver jobs and economic development to an area which is sorely in need of it — and at no cost to Frankston City Council or the state government.

As I said before, this proposal has been supported by the local council as well as by the local boating industry and local residents. If the Greens were really concerned about ensuring that local democracy takes priority, then they would not be moving motions of this nature. I urge all members to vote against the motion.

Ms PENNICUIK (Southern Metropolitan) — I would like to thank Mr Guy, Ms Mikakos and Ms Huppert for their remarks in response to the motion that I have moved today to disallow Frankston planning scheme amendment C50. I have to say that most of the remarks I heard from those three members should have led them to support my amendment, so I think their arguments against my amendment — —

Hon. M. P. Pakula — Revocation.

Ms PENNICUIK — Revocation — thank you, Mr Pakula. They put up fairly weak arguments for not supporting the motion. Mr Guy, for example, said that if we were to disallow C50, there would no longer be the ability to go ahead with a marina at Olivers Hill. That is not the case, because with the revocation of C50, there would still be amendments C15 and C30, which allow for a marina or a boat harbour to be built at Olivers Hill that would be of a substantially smaller scale, scope and environmental impact. At the time the panel said it was a borderline case in terms of its environmental impacts.

Mr Guy said he shared our concerns about the lack of environmental processes and the planning process. He said the tender would need to look at the environmental issues, but my point would be that this should be looked at through a proper process before it even goes to tender.

He conceded that the location at Olivers Hill is of concern; it is one that has been raised with him and one that he shares, particularly in that it is not within walking distance from the Frankston central business
Ms Mikakos then went on to talk about housing affordability, which has nothing to do with the motion. She mentioned that there was net community benefit from this particular C50 amendment, but no such net community benefit has been established. In fact, the market soundings and the Ernst and Young report that the council has put forward have said there would be a negative benefit.

I take the point that Ms Mikakos and Ms Huppert made, that local democracy is important, and I agree. It is with reluctance that I have taken this action to move a disallowance motion. However, this is not just a matter of local democracy. In this instance, with the planning process that has been followed, it is also a matter of the intervention of the minister — the minister actually made the amendment, not the council — and the referral of this matter to the priority development panel (PDP). There is also the matter of the greater interest, as I mentioned in my contribution — that is, looking after the ecology of Port Phillip Bay, which is already under assault from the many developments around it. There is a lot of coastal erosion, particularly along the east side of Port Phillip Bay, and it has been caused by existing marinas, breakwaters and piers. The development that is proposed by amendment C50 is huge; it is massive, it is bigger than any other development in Port Phillip Bay. Those issues come into play. I am not suggesting that I would get involved in the PDP for the Frankston transit city, but this proposal invokes wider interests — the interests of future generations and future users of the Frankston beaches and the area around this proposed development.

Ms Mikakos basically repeated the history of the process I outlined and relied heavily on the 1998 environment effects statement process in her contribution. If Ms Mikakos had read the documentation for that process, she would well know that it did not look at the proposal that is anticipated by amendment C50. I went to some pains to outline what that EES process looked at. Ms Mikakos mentioned that the process resulted in the amendment that allowed for 35 hectares to be rezoned. That is right, but it was a disingenuous use of that figure by Ms Mikakos. She seemed to imply by the use of that figure that the EES process approved the unlimited amount of reclamation of the seabed that will be allowed by the C50 amendment. It did no such thing, so that was completely disingenuous. Ms Mikakos went on to talk about conditions that any proponent would have to comply with and environmental studies they would have to undertake. That supports my point: these environmental studies should have been conducted through a proper environment effects statement process and should have been put before an independent panel.
This proposal is for a massive development which would have significant effects on local beaches, and putting the results of such studies only to the council does not cut it. That is the problem with the process.

Ms Huppert mentioned the issue of local democracy, and I think I have covered that. Disagreeing with a council decision is not something I do lightly, but there is a wider issue here as well as the issue of the ministerial intervention and the inappropriate use of the PDP process for something that should have gone through a full EES process.

Both Ms Mikakos and Ms Huppert talked at length about how the need for a boat harbour et cetera has been talked about for 20 years. Why has it been talked about for so long? The reasons for this and why so many studies have been conducted are that there are many complicated issues involved and any proposal would have a significant impact on beaches around the area. The appropriateness of the site has been and still is the subject of much debate. That is why we are still talking about it 20 years on.

It is a big thing to put forward a motion to disallow a planning scheme amendment. I think I have outlined the reasons I have done so. It is with the interests of Victorians, and particularly the interests of people in the Frankston area, at heart that I have moved this motion. The revocation of this planning scheme amendment would not result in nothing happening. Existing planning scheme amendments would still allow something with a less significant impact on the environment to go ahead. I do not want to allow what I regard as a misuse of the planning process to go through this chamber unremarked upon, and that is why I have moved this disallowance motion.

**House divided on motion:**

Ayes, 4

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

Noes, 33

Atkinson, Mr Broad, Ms Coote, Mrs Dalla-Riva, Mr Darveniza, Ms Davis, Mr D. Davis, Mr P. Davis, Mr P. Drumm, Mr Eideh, Mr Elasmar, Mr Finn, Mr Guy, Mr Hall, Mr (Teller) Huppert, Ms

Jennings, Mr Tierney, Ms Koch, Mr Viney, Mr (Teller)
Kronberg, Mrs

**Motion negatived.**

Sitting suspended 6.26 p.m. until 8.03 p.m.

**DESALINATION PLANT: PRODUCTION OF DOCUMENTS**

Mr D. DAVIS (Southern Metropolitan) — I move:

That, in accordance with sessional order 21, there be tabled in the Council by 12 noon on 1 September 2009 a copy of all meeting notes, minutes of meetings and diary notes of government ministers and senior bureaucrats in the departments of Treasury and Finance, Sustainability and Environment (including the Office of Water) and Innovation, Industry and Regional Development (including Major Projects Victoria) concerning tenders for the desalination project and lobbyists including staff of Hawker Britton, including Mr David White, and InsideOut Strategic, including Mr Philip Staindl, and including briefings on water projects and desalination (including speech notes for ministers appearing at or visiting the Progressive Business organisation).

I do not wish to make this a long contribution tonight, because I am aware there are a number of other serious matters that the Council wishes to consider, including motions on training organisations, the public hospital system and donations to political parties. However, this is an important motion. The desalination project, as we heard from the Treasurer today, is the largest PPP (public-private partnership) in the world today, as the Treasurer has described it.

There are many details we do not know about that project — details about who lobbied who, when and how. An *Age* article of Tuesday, 4 August, is important because it confirms that former Labor minister and member of this place, David White, a director of government relations firm Hawker Britton, was paid a retainer to provide political advice to the Macquarie Group, another key player in the AquaSure consortium that was awarded a contract.
We have here Labor mates being provided with an entree, which appears to have been decisive in cracking through on this huge project — as I said, according to the Treasurer in the chamber today, the biggest PPP in the whole world. Yet we do not have transparency on this; we do not have a lobbyists register in Victoria. We do not have a broadbased independent commission against corruption in Victoria. As I said, we do not have a lobbyists register.

Mr Viney interjected.

Mr D. Davis — I pick up Mr Viney’s interjection: no, we do not. We do not have a broadbased anticorruption commission in Victoria. It is a fact, and I defy the member to find one in Victoria. The Labor government has not chosen to pass a bill to set one up. New South Wales, Queensland and Western Australia have such commissions. The Labor corruption in these states has been profound, and now in Victoria consultants have infiltrated and played a key role in the awarding of these massive contracts.

I am not opposed to PPPs; in fact I think they play an important role in moving risk out from government. I think there should be transparency; you need checks and balances and an independent commission against corruption to ensure that members of Parliament, former Labor Party staffers, former Labor government ministers, consultants and lobbyists are not into it up to their eyeballs — or, in the case of these ones, up to their snouts in the trough.

Because they are important, the opposition needs these documents: the notes of meetings, the minutes of these meetings between Labor lobbyists of a Brumby government and its ministers. The documents should be provided to the chamber. This is an important step. I note that on an earlier motion for the production of documents concerning the desalination project the government balked at providing the gateway documents. It completely balked and indicated that no document available to the Brumby government relating to the gateway documents can be made public — not one, not even one!

There is a real need for stronger accountability. The opposition has called for a lobbyists register and has committed itself to establishing a lobbyists register. During the 2006 state election this government promised to set up a lobbyists register. Tomorrow is 1000 days after the government promised a lobbyists register, but still there has been no action on it. A lot of massive PPPs including, according to the Treasurer, the biggest PPP in the world today have slipped through before the lobbyists register has been set up, as have the transport contracts, and the franchising of the trains and trams.

This government has a lot to answer for. It will be looked back on as a government that did not uphold the standards of probity required. I call for a lobbyists register. This is the archetypal case of the biggest PPP in the world today, yet there is no lobbyists register in Victoria. There is no broadbased independent commission against corruption. Who knows what has gone on in the awarding of these massive contracts.

This document motion is one very modest step in trying to hold this government to account. These documents — the minutes, the diary notes — should be provided. Mr David White and Mr Philip Staindl have been mentioned. Mr Staindl is up to his neck in this. He is the head of Progressive Business — and who knows what his influence is on these things! These diary notes and minutes should be provided to the chamber. I urge support for this motion.

Mr Viney (Eastern Victoria) — It would not be a Wednesday without what we call a document motion. I have put on the record in this house on countless occasions, and Mr Pakula has done the same, the position of the government in relation to the Legislative Council’s request for documents. I am not sure there is much more I can add to what I have previously said.

If it is appropriate for the government to release documents — that is, if they do not breach executive privilege or commercial-in-confidence issues and legal professional privilege issues — they will be released. If they breach any of those issues, they will not be released.

I do not think it is necessary to run Mr David Davis through all this again. I will say that we have just had an example again from Mr Davis of the ease with which it is possible to throw mud around in politics. Members can make innuendos with no substance or basis and allegations with not a skerrick of evidence.

Mr Davis — Did they get a success fee?

Mr Viney — If Mr Davis wants to talk about success fees, what about Michael Kroger’s success fee? What about the success fee he got? If Mr Davis wants to talk about those things, he should open all that up as well. He should talk about Mr Kroger’s success fee with his involvement with the Howard government. If Mr David Davis wants to come in here and start throwing mud around, that is fine, because we can all diminish ourselves in public life to the lowest common denominator if he wants.
If the member wants to bring that kind of debate on, that is fine; but if he comes in here and makes innuendo and sly remarks about other people, if he wants to say those sort of things, he at least should have the decency to have a little bit of substance to his suggestions and innuendo. Mr Davis did not have the slightest bit of substance in what he has just put forward. He just said, ‘Well, we don’t know if this happened and we don’t know if that happened’. Of course we do not know, and we probably do not know because it probably did not happen; that is a pretty good explanation. Maybe it did not happen. Before he suggests that it might have happened, it would be a good idea to come in here and say, ‘Based on these facts there is a matter that needs further investigation’. He did not do that. He just came in, threw some mud around, threw some names around under the cover of parliamentary privilege, made some allegations about individuals, made some suggestions about the way they may or may not have been involved in particular projects and made suggestions about how they may or may not have been paid if they were involved in those projects.

Frankly, I have no idea whether the people he is referring to were or were not involved in any of these projects; I would not have a clue. It is just Mr Davis throwing conspiratorial mud around in this place, and he does it time and again. As I have said before, the greatest conspiracy theorist in the Victorian Parliament is Mr David Davis. He runs conspiracy theories in this place constantly. As I have also said before, if you really thought about it, you would have to conclude that he was one of the script writers for Kevin Costner’s JFK, because he is full of conspiracy theories. We ought to run the credits and see whether credit is given to him.

According to Mr Davis, various people in Progressive Business were on the grassy knoll. I have absolutely no objection to Mr Davis asking for documents. Remember that this is the government that restored the Freedom of Information Act which the Kennett government, when Mr Davis was part of it, pared back. This is the government that has made the Ombudsman’s office accountable to the Parliament and given it some independence — —

Mr D. Davis — Absolutely.

Mr VINEY — I do not think it helps the development of a good civil society and good public operations to just be throwing that kind of rubbish around without having some evidence, some basis upon which you have a suspicion. All it does is demean public life and demean the business of politics; that is all it does.

I have absolutely no problem with there being accountability and the opposition holding the government to account in the chamber — no problem at all. That is a good thing about our public life and our system of government. What is not good is Mr Davis coming into this place and throwing around allegations about people on the basis of some conspiratorial suspicion with not a skerrick of evidence that anything untoward has taken place, just the fact that this is a big project with a lot of money — —

Mr D. Davis — The biggest project in the world.

Mr VINEY — That’s right. You keep saying, ‘the biggest project in the world’ and all the rest of it. You keep saying that and you say, ‘Therefore, by consequence there must be something fishy, there must be something wrong, there must be something absolutely wrong with this position’. There is not the slightest bit of suggestion that anyone has done anything wrong. What is clear from the approach that Mr Davis takes in these debates is that he has already come to his conclusions, no matter what documents might be produced. He has already decided that the individuals he has named have acted somehow improperly, and I think that is an absolute disgrace. Coming into this place and making these allegations without any suggestion of substance is getting to the sort of depths that the Liberal Party is sinking to at the moment.

As if we have not seen enough of what is going on with the demeaning of public life — look, for example, at the nasty dirt sheet that was put out in the Frankston electorate. You look at these things and ask: who could be the beneficiary of putting this rubbish out, this racist rubbish? Who could be the beneficiary of that? I wonder. It is a marginal lower house seat held by 3 per cent by Alistair Harkness. Who could the beneficiary be? I wonder. Could it be a political party? Could it be — —

Mr D. Davis — On a point of order, Acting President, Mr Viney has referred to matters in Frankston which are already the subject of points of order in this chamber and which the President has
indicated he will look at. I ask that you restrain Mr Viney and get him to return to this motion on documents, the desalination plant and lobbyists. It has nothing to do with Frankston, and it has nothing at all to do with the matters around Frankston that the President is investigating.

Hon. M. P. Pakula — On the point of order, Acting President, apparently Mr Davis believes he is the only person allowed to come into this chamber and defame people.

The ACTING PRESIDENT (Ms Pennicuik) — Order! That was not a point of order. I am also struggling to interpret Mr Davis’s remarks as a point of order, but I will ask Mr Viney to come back to the subject at hand, and I would ask Mr Davis to cease interjecting every 2 seconds.

Mr VINEY — The point I am trying to make here is that Mr Davis has come into this chamber and made defamatory allegations and innuendo about particular individuals. He is demeaning the business of politics and public life. We have seen enough demeaning of the business of public life, and all I was doing was drawing an analogy with the demeaning of public life in Frankston. Mr Davis is demeaning the business of public life by coming in here and making allegations, in one case, against a former member of this chamber who had a distinguished career in government and opposition. It is appalling that Mr Davis would come in here during debate on a motion purportedly to try to get some information about government activity in relation to a major tender process and then make those allegations in the way he did, without any substance.

I think we all need to be a little bit more protective and respectful of the business we are in. I have often said that all of us on all sides of politics come into this place with the intention of making this state and our community a better place. We have different views about how those things might be achieved and the ways we can achieve them, but we must protect the business of what we are in, because if we demean it, if we destroy the faith the community has in this place and in the good work we do in this place, and if we actively demean it without substance, without basis and without evidence, community confidence in this place will fail and we will put the whole system at risk. That would be a terrible development.

We have a system in this country where governments can change with not a drop of blood shed. That is not a system that exists in some other countries, and we need to pay appropriate respect to that. To come into this place in the way Mr Davis has done tonight and attempt to smear people who may or may not be connected to the government or the Labor Party, without any evidence and on the basis of some silly fiction that because it is a big project there is likely to be something fishy about it, is just ridiculous.

This is a project that is overseen by very strict auditing processes, as all government projects are. Probity auditors are appointed to monitor these projects. As a former parliamentary secretary I saw probity auditors work on various projects, and they are very professional and forensic people. I do not know who the probity auditors were for the desalination project, but I am certain that as part of the government processes they would have been appointed. What I do know is they would have been absolutely careful to make sure that the processes were followed with integrity and probity. For Mr Davis to come in and make the suggestions that he has — that Mr David White and Mr Philip Staindl acted in any way improperly — is a disgrace. Both individuals have a high degree of integrity. I happen to know both of them; one of them served in this chamber with great distinction as a Leader of the Government, a minister of the Crown and a Leader of the Opposition.

Honourable members interjecting.

The ACTING PRESIDENT (Ms Pennicuik) — Order! I ask Mr Pakula to desist from having loud conversations across the chamber so that I can hear what Mr Viney is saying.

Mr VINEY — For a member to come into this place and demean and slander people who work in difficult professions but who generally work for the good of this community is appallingly disgraceful.

Mr Leane — It’s cowardly.

Mr VINEY — It is cowardly, because I am sure Mr Davis would not repeat outside this chamber the comments he has made in this chamber tonight, nor would he add to them. He knows if he added to them, it would be deemed to be a repetition of those comments and would make him liable for action. It is appallingly disgraceful. All of us in here have to respect the public office we hold. We have to respect the fact that if we are going to come in here and make allegations about other people, we have to have at least some basis, some credible evidence, that gives us reasonable suspicion that something improper might have occurred. But we did not hear any of that. What we heard was Mr Davis’s conclusion, based on nothing, that something improper has occurred and then a call for the evidence to help him base that conclusion on some semblance of fact.
Whether or not the evidence exists and whether or not any of the issues in terms of the documents he is seeking create any kind of issue of impropriety are matters for testing, but to have already concluded that before you have seen it is quite extraordinary. Thank the Lord he is not a magistrate or a judge in the Supreme Court or the County Court — —

Hon. M. P. Pakula — Or a minister.

Mr VINEY — Or a minister indeed, because that is the kind of behaviour that would not entitle him to hold that office. As I said before, we in this place need to respect the enormous privilege, called parliamentary privilege, that we have, and we need to use it very carefully. I am known to come in here and be fairly vitriolic and tough in my debating with other members of this chamber, and as a result every now and again I cop a bit back. But I can tell the house I have never asked for a withdrawal in this place, because I am the sort of politician who says, ‘I give a bit and I get a bit; that is the way it works’. What I have never done is come in here and defame a person outside this place in any way. I have never come in here and used parliamentary privilege to defame someone.

Mr Leane — Just because you can.

Mr VINEY — Just because I can, indeed. It is a right that members of Parliament have, but it is a privilege that they should use extremely carefully, and for Mr Davis to do that in the way he did tonight was a disgrace. The government will not be opposing Mr Davis’s request for documents; we never oppose initial requests for documents.

Mr VINEY — Just because I can, indeed. It is a right that members of Parliament have, but it is a privilege that they should use extremely carefully, and for Mr Davis to do that in the way he did tonight was a disgrace. The government will not be opposing Mr Davis’s request for documents; we never oppose initial requests for documents.

It is a legitimate role of the Legislative Council to ask for documents. We have a set of criteria upon which we will assess whether or not they should be produced, and that relates to executive privilege, cabinet in confidence, commercial in confidence and legal professional privilege. If producing them would breach any of those criteria, they cannot be produced, because that is an important Westminster tradition as well. If producing them would not breach any of those criteria — and Mr Davis’s request is a bit of a fishing expedition because the documents are not specific documents, just documents that may exist in relation to these things — and if they exist, if there are such documents and if they do not breach any of those things, then they will be produced.

That is the government’s position. We do not need to oppose this motion, but Mr Davis needs to be very careful that he does not demean the business of politics in the way he has done tonight.

Motion agreed to.

EDUCATION: REGISTERED TRAINING ORGANISATIONS

Mr HALL (Eastern Victoria) — I move:

That this house requires the Minister for Industry and Trade, as the representative of the Minister for Skills and Workforce Participation in the Legislative Council, to explain —

1. the process involved in gaining approval as a registered training organisation (RTO);
2. the criteria that must be met to become an RTO;
3. how compliance with the conditions of accreditation is monitored;
4. the level and regularity of auditing undertaken by external bodies;
5. how complaints about RTOs are dealt with;
6. how it is that a relatively small number of RTOs have been able to continue operating despite a history of complaints concerning the quality of programs delivered, allegations of document falsification and excessive costs being imposed on students.

I commence my contribution to the debate on this notice of motion by saying it is my belief that Victoria has an education system which generally serves us well. Part of the reason for that is that we have a good balance between public and private providers right across the system, ranging from preschool right through to higher education. Our system of education not only serves Victorians well but has also proven to be very attractive to international students. There is an attraction both for international students to come to Victoria to study and for Victorian providers to deliver education programs at overseas locations.

While this motion seeks general information on the processes applying to registered training organisations, it is true to say that the catalyst for me moving this motion is what I believe to be a significant increase in the number of complaints and criticisms about the provision of education to international students by

This motion seeks information on the process involved in the registration of training providers, compliance requirements for education providers and the criteria on which registration has been gained. It also asks why there seems to be a continuing rise in the number of issues brought to the public’s attention related to the provision of education to international students by
The motion calls on the minister representing the Minister for Skills and Workforce Participation to give the house and therefore the people of Victoria an explanation of those matters. It is a genuine call for the minister who is responsible for this area to provide that explanation, because this is a serious and significant issue; it is my view that it is the sort of issue that requires a response from a minister rather than from a backbencher.

I also point out that I purposely framed the motion so that it did not contain any inflammatory language, nor do I intend to use such language during the course of the debate this evening. I repeat that this is a genuine attempt to gain information about this issue.

As I said in my opening remarks, in Victoria we have an education system that serves us very well. It is interesting to note that at any one time, student enrolments in VET (vocational education and training) programs in Victoria number approximately 500 000 as a rounded figure. At Victoria’s nine universities we have something like 250 000 students enrolled. International students are very important to Victoria; in round figures approximately 133 000 of that total number are international students.

Before I get to some of the significant issues I want to raise in this debate, I want to mention that in respect of educational services in Victoria being provided to international students there are probably three main issues that are currently the subject of some public attention. The first revolves around recruitment issues and the use of agents by some organisations to recruit students. There are some serious issues concerning that aspect of education for international students, and I read in the last week or so that the federal government has set up a committee, headed by one of its MPs, to look at that matter. It is appropriate that the federal government take the matter on board and play a key role in issues surrounding the recruitment of students and the use of agents in that process, because it is a national issue, not an issue that is particular to Victoria.

The second issue concerns recent reports of some international students being the subject of violent attacks. I think it has already been noted by both the government and the opposition that this is a serious issue. I know that members of the government, right up to the Premier, have expressed views on the issue and demonstrated to some extent their concerns by participating in a recent harmony walk involving some international student organisations.

This issue is going to be around for some time, and this motion tonight does not suggest that any obligation of governments to continue to do something about it is removed. It is a serious issue, and it needs some ongoing attention from the Victorian government. The issue is probably more particular to Victoria, given that law and order is a state government responsibility.

The third issue, which is the subject of the commentary I want to make tonight, concerns the delivery of programs, in particular the quality of some of those programs, whether they are giving value for money, whether the students involved are being treated fairly and whether the organisations delivering such programs are doing so in a way that maintains the integrity of the system we have in Victoria. That is the issue I want to talk about during the course of my comments this evening.

I mentioned that international education was an important industry for Victoria. The latest figures I have for Victoria are from the commonwealth government agency Australian Education International as published in a document entitled International Education Statistics. It included a study of Melbourne, so it gave 2007 statistics relevant to Victoria.

Victoria attracts 29 per cent of international students. The number of international students studying in Victoria totalled 133 454. If you look at the last five or six years, growth has been fairly significant. Between 2002 and 2007 the growth in Victoria of international students was just over 59 000 students, but in the last 12 months of this statistical period, between 2006 and 2007, there were nearly 27 000 students. The actual growth in the numbers of international students almost doubled in 2006–07.

It is also interesting that in Victoria 42 per cent of all international students were enrolled in higher education. Of university enrolments as a whole, 30 per cent of enrolments at Victorian universities are international students. So 29 per cent of international students were enrolled in vocational education and training programs, and of that number, 27 per cent were enrolled in TAFE institutions and 73 per cent were enrolled with private vocational education and training providers. A significant number of those students were enrolled with private providers.

In terms of the nationality of students who study here in Victoria, 25 per cent were Indian and 23 per cent were from the People’s Republic of China. They are by far the two most significant countries from which international students originate, but there are 187
different countries where students come from to study in Victoria.

The Minister for Industry and Trade will be interested to know the value of the industry to Victoria. International education is Victoria’s largest services export. For the year 2007 international education was worth $3.5 billion to Victoria. More recent figures I have read of in some publications since then suggest that in 2008 that figure had increased to closer to $4.5 billion. By any measure it is a very significant export-earning dollar for Australia, and it is Victoria’s largest export earner.

Finally I wanted to mention that as well as providing for just over 133 000 international students in Victoria, Victorian providers also deliver education and training programs to over 40 000 students in their home countries, including places like Singapore, Malaysia, Hong Kong, China and Vietnam. That gives a sample of the significance of the international presence in Victoria’s education system; it is a very significant presence indeed.

I want to move to the organisation responsible for the registration and regulation of the education industry in Victoria. The body with prime responsibility is the Victorian Registration and Qualifications Authority. If you want to get some background as to what it’s roles and responsibilities are, you could look at division 4 of the Education and Training Reform Act 2006, which was the legal instrument establishing the VRQA. You could have a look on their website, or I found their annual report a fairly comprehensive but precise document that outlines a lot of the information useful for this debate.

The 2007–08 annual report of the Victorian Registration and Qualifications Authority sets out in layman’s language the functions and responsibilities of the organisation of the authority. It says:

The VRQA is responsible for quality assurance for education and training in Victoria. It registers and monitors all education and training organisations, including government and non-government schools and home-schooling. The authority’s responsibilities cover domestic and international students, overseas secondary exchange student organisations and the accreditation of VET and higher education courses.

Further pages outline some of the responsibilities assigned to the Victorian Registration and Qualifications Authority.

I might also add when looking at this annual report that the VRQA operates on a budget of about $8 million per year and has 43 staff. When you take into account that there are about 3700 registered providers of educational services in Victoria, I reckon an organisation with just 43 full-time staff does a pretty good job to try to cover the responsibilities assigned to it for 3700 providers of education services. I wonder whether the budget given to this organisation is sufficient for it to competently undertake the range of tasks described to it in the legislation and mentioned in its annual report.

I do not want what I am saying tonight to be misinterpreted as me having a go at the VRQA, because when I look at what it is asked to do and when I look at the budget and staff it has, I think its task is enormous. I personally probably hold the opinion that we are not funding it enough; it does not have sufficient resources to adequately undertake the responsibilities assigned to it.

In particular this motion talks about auditing and compliance, and I turn to page 22 of the annual report where it goes in part to that particular subject. I am looking at auditing and compliance in relation to vocational education and training providers. It says on page 23 of this report:

To regulate providers, the VRQA coordinates a range of audits. The audit process for both the AQTF and to deliver approved training to overseas students is similar, reflecting a provider’s registration cycle: new provider registration audits at the end of the first 12 months of initial registration of providers and a re-registration audit every five years.

To make that clear, the audit process occurs at the end of the first year for newly registered providers, and then every five years under a five-year cycle for providers. It goes on to say:

Other types of audits mainly arise from changes in registration status such as the addition of new courses, site relocation and increases in student capacity.

It also says:

The VRQA has adopted a risk-management approach, a new feature of the AQTF —

that is, the Australian quality standard framework —

that allows the VRQA to focus its activities on moderate and high-risk areas. RTOs that have consistently demonstrated quality training outcomes and compliance against the essential standards experience a lighter touch regulatory approach.

Quality assurance of education and vocational training in Victoria was also strengthened by a new auditing approach introduced in July 2007 that included a move away from the use of training recognition consultants. The VRQA has contracted a team of independent auditors to report on the compliance of RTOs with the requirements for registration and to conduct verification audits where necessary.
What this report does not do, and I think it would be enhanced if there were further information, is report on the number or type or the reasons for audits other than those that are part of the regular and required audit structure, and that is at the end of the first year for newly registered organisations and then every five years on the re-registration cycle.

It would be helpful for readers to better understand the work of the Victorian Registration and Qualifications Authority if it reported on the number and type of and the reason for any special audits undertaken by the authority. I make that comment in respect of the audit function being undertaken by the authority.

I also want to draw the house’s attention to page 32 of the annual report, where it talks about complaints and investigations. It says there that:

In 2007–08, the complaints unit received 327 complaints, including 80 relating to overseas students.

It then goes on to say:

These 327 complaints were against 204 different providers. The figures do not include verbal complaints. In the case of verbal complaints, the complaints unit may refer the complainant to the provider’s own complaints and appeals process …

What it does not say with respect to complaints and investigations is how many of those complaints were resolved, and if so, what was the form of resolution. What activities were undertaken to resolve some of those complaints with VRQA? Indeed these figures were for 2007–08, that being the reporting period for this annual report. When next year’s annual report comes out it will be interesting to see what level of complaints there were in 2008–09, because certainly judging by some public comment about RTOs of late I believe there to have been a significant increase in the number of concerns publicly expressed.

I started keeping a scrap book about eight months ago on this very issue, and so it is that there are a number of — —

Ms Pulford interjected.

Mr HALL — Yes, a scrapbook, on some of the issues that have been raised publicly in newspapers about this particular subject.

Ms Pulford interjected.

Mr HALL — I have lots of things in my scrapbook. I keep these things handy. I like keeping a scrapbook so I can keep an eye on members over there and the different things they get up to!

I am not going to quote all of the articles, but there are a number of them. For example, in the Age of 22 December 2008 one article was entitled ‘Overseas students exploited’. Another, dated 22 December, reads ‘Colleges of neglect closed’, while one dated 7 April 2009 reads ‘Probe has watch on 20 colleges. Concern over fake certificates’. Another headline, of 17 April this year, is ‘State won’t reveal high risk colleges’. Another on 18 May of this year is ‘Cash for grades claim at college’ and another on 23 May reads ‘Our schools for scandal’. On 28 July another headline is ‘Training college turmoil looms’, while on 30 July another reads ‘College in gross breach of standards’, and on the same day another reads ‘Teachers count for little when the students pay so much’.

I am sure my colleagues on the government benches would also be familiar with and have read some of those articles. I could quote from each of those, but I will not. I will quote from one newspaper article which was printed in the Age of 29 July 2009. It was entitled ‘Millions trump truth about dodgy schools’. It was written by Sushi Das of the Age, and I give her full credit for the vigour with which she has pursued this subject over a long period of time. Indeed she has been
the author of many of the articles that I have collected over the last 12 months.

I give her absolutely full credit for exposing some of the dodgy providers in respect of this particular style of education. I have chosen this article because it probably sums up the frustrations she experienced while pursuing this particular subject. I quote:

There’s a private training college for international students in Melbourne whose chief executive is reputed to be illiterate. Having written stories for the *Age* in the past year on private colleges that allegedly run bogus courses, take cash for certificates, demand bribes to upgrade marks and employ unqualified teachers, I hardly raised an eyebrow when I heard about the college boss who couldn’t read or write English.

If I can confirm details of the shambolic practices this person is allegedly overseeing, I’ll be blowing the lid on that college too. But if my experience of researching dodgy colleges is anything to go by, I am confident I will be frustrated and stonewalled by all those who don’t want such stories to see the light of day.

I’m talking about the federal department of education, which refuses to let staff speak out; the Brumby government, whose spin doctors offered me information in exchange for positive coverage; the state’s education regulator, who won’t answer questions unless they are in writing; the college operators who don’t answer my calls; the teachers who fear losing their jobs if they are identified; and the students who remain silent because they are either complicit in scams or terrified they will be deported for blowing the whistle.

The article goes on and makes further comments about each of those claims. I said I would not be inflammatory in my comments and therefore I am not going to read further what she has written, and particularly about the Brumby government; but it is there, and people with an interest in this subject might like to go back and read the experiences of Ms Das in pursuing some of these issues.

I think the point is that we all know the issues exist, and I would be surprised if all of us as members of Parliament did not have knowledge of some of the concerns being expressed by international students who attend some of these dodgy institutions — and I say ‘some’ because I believe it is a relatively small number of such training organisations.

Let me also say that I am well aware that VRQA, in response to some of these claims, is currently auditing what it describes as 17 high-risk training organisations. I know of that because I specifically requested a briefing with VRQA about the audit of those organisations, and the minister arranged that for me. It did not tell me who the organisations were and it did not tell me the full list of criteria on which it bases an assessment of being a high-risk college, but it gave me an example of the sorts of issues that it was involved in. Such an audit process is absolutely necessary because I think we all agree that there are dodgy providers out there and they do not do themselves or the industry any good whatsoever. This industry is too important for its integrity to be put at risk. We need to be tough; governments need to be tough. If there are colleges or providers that have been identified as not maintaining standards and not delivering what students are paying to have delivered, then they should be dealt with and they should be dealt with harshly.

One of the issues that arises from programs like *Stateline* and the *Four Corners* program that I spoke about just a little while ago is that we are seeing that many of these organisations are having their registrations suspended or they will not be allowed to enrol new students until they correct some of the breaches in compliance that they have been found to have incurred. The perception is that we are not tough enough on these organisations. There should not be second chances. We need to be a lot tougher than we are on some of the organisations. That is why the motion has that final part posed in the manner that it is. Why is it that a small number of operators have been allowed to get away with things despite a history of complaints involving standards, unqualified teachers and allegations of bribes for marks for some students? These are the sorts of issues that have arisen time and time again, and a scan of the *Herald Sun*, the *Australian* or the *Age* newspapers will reveal those on an almost weekly basis. We need to get tough on the issue.

I conclude with those comments. As I said, I have raised this as a serious issue. It needs to be addressed. I think a response from the minister would be helpful not only for members of this chamber but also for Victorians. He should fully explain what the government intends to do above and beyond what is already happening to address a serious problem in Victoria that threatens to erode the integrity of one of Victoria’s finest industries: education, and particularly education for international students.

**Hon. M. P. Pakula** (Minister for Industry and Trade) — Let me at the outset commend Mr Hall on the nature of his contribution and the spirit in which I believe he has made his remarks tonight. I think it reflects well on him and stands in stark contrast to the contribution made by Mr David Davis in the previous debate. I should also say I would like to have a look at all of Mr Hall’s other scrapbooks because I am sure there could be some very interesting reading in them.

I ask for Mr Hall’s indulgence to some extent here because it was not clear to me upon reading this motion how Mr Hall intends me to comply with it in the event...
that his motion is carried. His motion requires me, as
the representative of the Minister for Skills and
Workforce Participation in the Council, to explain a
number of things. Should this motion be carried — and
I presume it will be — it is not clear to me how I would
then comply with the motion, but perhaps that is a
conversation that Mr Hall and I can have subsequent to
this debate.

Perhaps he will find my contribution to the debate to be
sufficient. I hope Mr Hall will agree that it has been
somewhat difficult to prepare or seek all the
information that I suspect he wants, because it was not
clear from the wording of the motion exactly what he
was driving at, although some guidance has been given
by the terms of item (6). I think it is also fair to say that
a great deal more guidance has been given by his actual
contribution tonight than was evident from the terms of
the motion. Probably unfortunately, from Mr Hall’s
perspective, my answers will seem to be somewhat
clinical and perfunctory in comparison with some of the
items he raised during the course of his speech.

I suspect that the things I will say in this contribution
will not go to all of the issues Mr Hall raised in his
contribution; members would appreciate that I was not
aware of the detail of what he was going to raise. At the
conclusion of debate I am happy to engage in a
conversation with him, and if he would like me to seek
further information from the Minister for Skills and
Workforce Participation, then that is something that I
would be more than happy to do.

The other point I should make at the outset is that
Mr Hall seems — and I think he can see this himself —
to have answered most of his own questions. He has
quite clearly done some very detailed research. In
regard to items (1), (2), (3) and possibly (5), Mr Hall
has answered his own questions in the course of his
contribution. Having said that, I will make a brief
contribution and then engage in a conversation with
Mr Hall, in the event that his motion is carried, about
what further information he might want me to seek
from the minister in order to comply.

**Mr Viney** — He probably could have just come
knocking on your office door.

**Hon. M. P. Pakula** — He could have just come
and had a chat with me. I probably would have
obtained the information for him anyway. I think
Mr Hall has already spoken to Minister Allan, or at
least Minister Allan’s office, and has some of this
information in any case.

It is worth saying for the record that, a handful of rogue
operators aside, we have the most productive, and I
think the best, VET (vocational education and training)
sector in the country; the vast majority of providers are
providing high-quality training. We agree that the
actions of a minority of rogue operators ought not be
tolerated, and they will not be tolerated.

I will deal with the specific questions in Mr Hall’s
motion this way: in response to item (1), which is a
question about the process, as I think Mr Hall himself
alluded to, the Victorian Registrations and
Qualifications Authority administers all the registered
training organisations (RTOs) in Victoria. To become
an RTO an organisation has to apply to the VRQA. The
VRQA will conduct a site audit to determine whether
the organisation meets all the standards of the
Australian quality training framework (AQTF) 2007. If
the organisation satisfies the requisite criteria, then the
VRQA will register the organisation as an RTO and
specify the qualifications that organisation can deliver.

In his contribution Mr Hall made some reference to the
question of whether the VRQA was appropriately
resourced to carry out that function. I must say I am not
in a position to engage in a debate about whether the
VRQA’s resourcing is sufficient; that is squarely a
matter for the Minister for Skills and Workforce
Participation. Mr Hall may seek to go further on that
matter. That is my answer to the question in its strictest
terms.

In regard to item (2) of Mr Hall’s motion and the
criteria that must be met to become an RTO, again as I
think he himself said, to become an RTO the
organisation in question must be compliant with the
three national standards that are outlined in the AQTF
2007. They relate to training and assessment, client
services and the organisation’s management systems.

Again, Mr Hall may consider this answer to be
somewhat perfunctory, but as I said at the outset, on an
initial reading of his motion it was not clear to me how
much more information he wanted.

In relation to item (3) and how compliance with the
conditions of accreditation is monitored, again as
Mr Hall may have alluded to without going into great
detail, the RTOs that are subject to accreditation by the
VRQA — that is, all the RTOs — are also subject to
regular audit by the VRQA. Those audits are
undertaken as site audits and conducted by independent
auditors. There are also desktop audits for compliance
with the AQTF — that is a very difficult acronym to
say — and they are reported back to the VRQA. I
understand that Mr Hall has some concerns about
whether those audits are appropriately weeding out the
rogue operators, but as he has himself indicated — and
he learnt this from the briefing he received — there are a number of organisations that are currently the subject of specific audits.

In regard to Mr Hall’s item (4), which is about the level and regularity of auditing undertaken by external bodies, the standard quality assurance regime requires audit before registration, at registration and again at 12 months after registration. In addition to regular monitoring, audits may be conducted when an RTO makes an application to somehow change or alter the nature of its operations. For instance, if an RTO wished to establish new facilities or to expand the scope of its registration, it would potentially be subject to audit again. Every five years from initial registration the RTO will undergo another audit against the AQTF 2007 standards before it can be reregistered.

In regard to Mr Hall’s item (5), which is about how complaints against RTOs are dealt with, as I think he is aware, the VRQA has a separate compliance unit — —

Mr Hall — Complaints unit.

Hon. M. P. PAKULA — Mr Hall is correct; it is a separate complaints unit. The complaints unit manages all complaints. In the initial stage of the complaints process the VRQA works and liaises with students and any other complainants. The purpose of that engagement is to determine whether the complaint can be dealt with through a standard RTO grievance framework or process. If the complaint cannot be resolved directly with the RTO, then the VRQA will audit the organisation in order to consider the question of the complaint in a more direct fashion.

Then we get to the nub of Mr Hall’s motion. It is about the fact, as he sees it, that a relatively small number of RTOs have been able to continue operating despite a history of complaints against them, and he refers to a number of types of complaints. That is quite a complex matter, and I think a number of points need to be made about it. There is a Ministerial Council for Vocational and Technical Education, which the Minister for Skills and Workforce Participation sits on. In June 2009 Minister Allan initiated a nationally coordinated approach to some of the issues that face the international education sector.

As Mr Hall noted in his contribution, the international education sector is a very important one and is our leading services export industry, being worth almost $4.5 billion to the state economy. The sector was worth 40 000 jobs last financial year, and in the last five years the number of international students has doubled. In 2008 almost 162 000 students from 160 countries studied in Victoria. Mr Hall is right — we should treat this motion with the utmost seriousness; we should be providing to international students a safe environment in which they can receive a quality education and be confident they will receive the service they have paid for.

There is no disagreement between Mr Hall and me, and the Minister for Skills and Workforce Participation on any of that. That is why Minister Allan initiated a nationally coordinated approach to enforce a national code to ensure that international students receive full and accurate information about the courses of study they sign up to, and to reinforce to the international student sector that Australia is one of the safest places to study.

Back in May Minister Allan announced a rapid audit of vocational education and training providers in partnership with the federal government, both the federal Department of Education, Employment and Workplace Relations and the Department of Immigration and Citizenship, and Victoria has been the first state to initiate an intensive rapid audit of organisations which are suspected of breaching their legal obligations. Last year this state convened the overseas student education experience task force to investigate all manner of issues of student welfare. They are some of the actions that Minister Allan has initiated in this space.

Through the setting up of the VRQA complaints unit the government has endeavoured to ensure that complaints against RTOs are handled effectively. It is fair to say the nature of complaints made against RTOs can vary widely — the complaints are rarely the same — so appropriate processes and procedures need to be put in place to deal with the divergent nature of the complaints. If allegations of document falsification are made, that would go beyond being a quality assurance issue; that is a matter that should properly be referred to Victoria Police, and we will work with Victoria Police to investigate those. They potentially are matters of serious criminality.

I do not delude myself that in my response I have provided every piece of information Mr Hall has sought. I have truly and diligently endeavoured to answer the questions in his motion to the best of my knowledge.

Mr Hall — The minister has done well, and I am most grateful.

Hon. M. P. PAKULA — I thank Mr Hall very much. Given that we expect this motion to be carried,
the suggestion I would make is that if there are any matters covered by Mr Hall’s motion on which he would seek further explanation, I invite him to have a conversation with me and I will seek further information on those matters.

Debate adjourned for Mrs PEULICH (South Eastern Metropolitan) on motion of Mr Koch.

Debate adjourned until next day.

HOSPITALS: GOVERNMENT PERFORMANCE

Debate resumed from 29 July; motion of Mr D. DAVIS (Southern Metropolitan):

That this house —

(1) expresses its concern at the poor performance of the Victorian public hospital system reflected in the Your Hospitals, July to December 2008, report where only four of nine key performance targets were achieved;

(2) believes the Brumby Labor Government should release in full the waiting-list figures not made public as part of that report, including any assessments of their veracity, and particularly the data relating to the Royal Women’s Hospital held back from the report; and

(3) further believes that the full results of spot audits of three hospitals — the Mercy Hospital at Werribee, Box Hill Hospital and the Austin Hospital — should be released in full to the Victorian community.

Mr ATKINSON (Eastern Metropolitan) — I do not intend to speak for long on the motion before the house; however, I think an extraordinarily important issue has been brought to the Parliament by Mr David Davis, because despite all the spin and rhetoric, this government has consistently failed to deliver an effective health service to Victorians. Despite a range of promises made, the government has been going backwards.

There is every reason for us, particularly those of us in the eastern suburbs, to have considerable concern about this government’s approach to particularly health services when we look at the Box Hill Hospital situation, so I will focus my remarks on that hospital.

One of my former colleagues, Gordon Ashley, a former member for Bayswater in the Assembly, was fond of saying that Box Hill Hospital services a city the size of Adelaide. Indeed it is the primary hospital in the eastern suburbs. In effect from Camberwell going east, and certainly east from Box Hill — the hospital’s catchment area extends in a fan shape — Box Hill Hospital is the primary hospital and acute services hospital for a great many of Melbourne’s residents. It is part of the Eastern Health network and has some support from Maroondah Hospital and the William Angliss hospital. Further afield people would have to go to Dandenong, to the Austin Hospital or into the city to get hospital care.

This government came to office in 1999. At that election the then government had promised, and indeed was working very actively towards, the provision of a new tertiary hospital in the eastern suburbs at Knox. That government recognised there was underprovision of public hospital facilities in the eastern suburbs, that Box Hill Hospital was unable to meet the demand for hospital services in the eastern suburbs and that there needed to be significant investment in that area.

At that time the government had made considerable progress towards the planning of the Knox hospital, but when the then Bracks government was elected in 1999, it scrapped that hospital. The Bracks government decided it would not proceed with the Knox hospital and suggested it could invest some funds in Maroondah Hospital and some additional resources into both Dandenong Hospital and Box Hill Hospital — a modest investment, I might add — and that would obviate the need for the Knox hospital.

This government has been caught out, and residents of the eastern suburbs have been the poorer for this government’s failure to recognise the need for that Knox hospital. The government having made that decision, I believe very strongly that if it was to abandon the Knox proposal, it was incumbent upon the government to invest substantially and promptly in a significant redevelopment of Box Hill Hospital.

We are 10 years — a full decade — on in the life of this government, and still there are promises that Box Hill Hospital will gain new resources and a redevelopment, but there have been no actual plans or no funding has been allocated in any budget. There is simply this government’s usual method of business transaction — that is, a handful of press releases. Some of those press releases from Tony Robinson, the Minister for Gaming and the member for Mitcham in the other place, were designed to simply try to make the issue go away and provide some reassurance to people so that he would not be under pressure in that electorate to deliver on promises he made and talked about back in 1999 in terms of an upgrade of that hospital, something he was pressing for when he was a member of the opposition after winning a by-election in 1998. There have been a lot of words and there have been a lot of press releases, but there has been absolutely no action on Box Hill Hospital.
Following the latest state budget, in which there was a very modest allocation for minor works at Box Hill Hospital but certainly not the level of funding required for its redevelopment, Mr Robinson was quick to get to his pen and send out another press release suggesting that the government had actually committed to redeveloping Box Hill Hospital, with additional funds to be announced this year. That is interesting, given that there was no allocation in the budget.

Mind you, we know the budget is not an exact science with this government because, just two days after the budget, the government announced a project of several hundred million dollars for the Peter MacCallum cancer hospital redevelopment, again a project that is warranted, that is overdue and that might well have been achieved earlier by this government if it had not been so extravagant in its spending and if it had had better management controls over a range of projects it has administered. That is an important project, but the point is that the funding came up outside the budget, so too did funding for the east–west railway link, which again was not in the budget.

As I understand it, those two projects have committed whatever unallocated capital funds were available in the budget, so there is not a lot of comfort there for Box Hill Hospital unless this government comes up with some sort of smoke-and-mirrors trick to save Mr Robinson’s hide and maybe that of Mr Stensholt over in the Assembly electorate of Burwood. The reality is that all people in the eastern suburbs have is press releases. That might not be so bad if there were not also the consequences of the failure of this government to redevelop Box Hill Hospital and of this government’s decision to abandon the Knox hospital proposal. The consequences are that people are on extended waiting lists and are suffering more than they need to. I dare say that some people’s conditions are being aggravated by the delay. Whilst I am not in a position to know for sure — I am clearly not a clinician and am not prone to exaggeration — I dare say that this government’s failure to do the necessary work on this hospital has led to some people having not just a reduced quality of life but possibly also a shorter life as a result of their not being able to get access to the medical treatment that they deserve and that they are constantly promised by this government but that is so seldom delivered.

As I said, this government wallpapers over the cracks with press releases. In May 2007 the then Minister for Health, Bronwyn Pike, suggested she had launched a waiting list blitz at Box Hill Hospital and that as a result she had been able to reduce the waiting lists of urgent and non-urgent elective surgery patients and push more people through the emergency department — and ‘push’ is probably an appropriate word in the circumstances.

Mrs Kronberg and I have spoken about this in recent times — I have spoken about it with Mr Dalla-Riva as well for that matter — and she and I both have a very high regard for the staff at Box Hill Hospital, both the administration people and the doctors, nurses and all the people who support them in the care of patients. How they deliver the quality of medical services they do with the facilities available at Box Hill Hospital absolutely perplexes us. The pressures in the accident and emergency department are very significant because in effect this hospital alone services an area with a population equivalent to that of the city of Adelaide. It is outrageous.

Each time a *Your Hospitals* report comes out assurances are given to the public that there are issues they have been addressed diligently by the government and that the issues will be or are being fixed, but those assurances are as worthless as Tony Robinson’s press releases. Acting President, as we share the electorate you probably have some awareness that Box Hill Hospital was one of the state’s worst performing hospitals according to the latest *Your Hospitals* scorecard. That edition of the report covered a period that was also examined by auditors appointed by the state government, who found that Box Hill Hospital’s waiting lists were inaccurate and that they underestimated the number of people waiting for care from the hospital.

At Box Hill Hospital only 50 per cent of semi-urgent patients were treated within the target period of 90 days set by the government; the state average is 74 per cent. I repeat: only 50 per cent of people on the Box Hill Hospital waiting lists were treated within 90 days. That was not a finding of the audit but of *Your Hospitals*, which was more complimentary to the hospital.

Only 74 per cent of non-urgent surgery was done within a year, compared with the state average of 92 per cent — 74 per cent against the state average of 92 per cent! As I said, Box Hill Hospital was found not even to be performing well in respect of the audit. The hospital was named as one of the hospitals that had inaccurate waiting list records. After a number of other hospitals were named as hospitals with inaccurate waiting list records the Minister for Health, Mr Andrews, famously expressed complete surprise.

Despite what has effectively been the mismanagement of records, perhaps the falsification of records or the failure to keep accurate records, and the fact that the hospitals earn incentive payments for their performance...
ratings, Mr Andrews found that no-one was at fault, that nobody was to be punished or reprimanded or even named as being responsible for those incidents of inaccurate recording of waiting list information and the inaccurate transmission of data to the health department to support its planning of health services.

Perhaps Box Hill Hospital did not come in for quite the same level of blame in terms of the media reports. Perhaps it was the story where the caravan had passed the issue by. For us in the eastern suburbs, the number of people on waiting lists is a very serious matter. The fact the numbers on waiting lists are underreported is a very serious matter. As I said, in some ways I and some of my colleagues are not entirely focused on blaming people within Box Hill Hospital for their failure to meet those state averages because the hospital facilities are simply incapable of meeting the demand for health and hospital services in the eastern suburbs.

The hospital is tired and old. It is a hospital that is difficult to clean and maintain because the surfaces are not modern surfaces. It is a hospital that in design terms does not meet today’s needs or expectations, not just of the patients and families but of members of the medical profession in terms of how they want to deliver medical services. It is struggling to cope with some of the new technology that is available because the hospital building is simply not able to provide the facilities in which to house that technology as effectively, efficiently and to the benefit of patients as modern or upgraded hospitals.

I understand the government cannot do everything at once. I understand the government has made a significant commitment to the Royal Children’s Hospital. That is an exciting project in conceptual terms. The Austin Hospital was a substantial improvement in the state’s hospital resources. The Royal Women’s Hospital is receiving attention from the government, and the Peter MacCallum Cancer Centre, the specialist cancer hospital, will be a significant part of our hospital health provision. Increasingly hospitals, and the cancer hospital provides a particular focus in this regard, are not just about inpatient treatment but a considerable range of outpatient treatments. The cancer hospital is also looking at preventive activities that will mean less people presenting in hospitals and needing significant treatment.

While all those projects are to be commended, I come back to comments I made in a speech some weeks ago regarding the waste and mismanagement of this government. I referred to $4.4 billion being wasted over 10 years on overruns of projects. I met with a couple of people today who were talking about public transport. They talked about the myki ticketing system that is to the north of $1 billion. They referred to Western Australia, which got its ticketing system for $35 million. No matter how you look at it, if you subtract $35 million from $1 billion, you have your Box Hill Hospital upgrade. At this stage we do not have a Box Hill Hospital upgrade and we still do not have a myki ticketing system. The government’s failure to manage major projects is outrageous. The consequences of its failure are never more evident than they are in the eastern suburbs when people see Box Hill Hospital and look at the difficulties that hospital has in delivering quality hospital services to more than 1 million people.

This government ought to be making the decision on Box Hill Hospital very quickly. I do not know where the money is coming from. It could well be smoke and mirrors like the Peter Mac and the east–west railway line — projects funded outside the budget but within days of the budget being brought down. Maybe the federal government will continue its largesse, or perhaps there is still a pocket in the Treasurer’s advance to do this project. The people of Box Hill do not want more press releases from Tony Robinson, the Minister for Gaming, and Bob Stensholt, the member for Burwood in the other place, and, with respect, the Acting President, Mr Leane, or Mr Tee, promising that the hospital will be fixed. People actually want activity.

The ACTING PRESIDENT (Mr Leane) — Order! I hope Mr Atkinson is not reflecting on the Chair.

Mr ATKINSON — I mentioned you, Acting President, in the context of your being a local member and not because you happen to be the Chair of the Council this evening. It is not a reflection on the Chair. It is a reflection on your diligence perhaps as a local member of Parliament in terms of supporting this project and making it happen.

People do not want more press releases; they want work to start on this hospital. On a number of occasions Mrs Kronberg and I have spoken to different people, including medical staff, who have an association with Box Hill Hospital — people we have each come across. Last year we attended a fair put on by the City of Whitehorse where we had a tent, as did some of the other political parties. I have to say it was amazing the number of people, particularly staff, who had an association with Box Hill Hospital who came up to talk to us about that project and about the fact that that
hospital needs to be rebuilt urgently; it needs the redevelopment.

As I said, whilst this government continues to trot out press releases it is failing to undertake the very works needed to ensure that we are able to provide better hospital services in the eastern suburbs and that we can address these waiting list issues. The government ought to have proceeded with the Knox hospital and at the same time still upgraded Box Hill Hospital. That was the plan of the previous government, and indeed the previous government, as members of this house would recall, left a budget surplus that actually could have achieved that. It could have provided for the Knox hospital and upgraded Box Hill Hospital.

Mr Finn — And fixed up Footscray and Sunshine as well.

Mr ATKINSON — Exactly. With the $4.4 billion wasted over the past decade, five hospital projects could have been funded out of that money alone.

This motion moved by Mr Davis is an important one. Hopefully it will focus the minds of the government members on this Box Hill Hospital issue, and hopefully when the government looks at the Your Hospitals waiting list reports it will sit down and think, ‘What we need to do is provide the facilities in which the fantastic medical staff at Box Hill Hospital can get on with the job, can in real terms reduce those waiting lists, and, more importantly, end some of the pain and suffering of the great many people who have sat on those waiting lists for far longer than any of the government targets’. The only way the staff can do that is with the right facilities, and at this stage, as I have said, the government is simply sending out press releases rather than tackling the problem. We urgently need to start work on this project. The people of the eastern suburbs will measure this government’s performance very much on what it does to deliver a redeveloped Box Hill Hospital. They will not be taken in by promises going up to the next election.

Debate interrupted.

DISTINGUISHED VISITOR

The PRESIDENT — Order! Before I call the next member I draw to the attention of the house the presence in the gallery of Ms Dympna Beard, former member for Kilsyth in the Legislative Assembly.

Mrs KRONBERG (Eastern Metropolitan) — I rise this evening to support Mr Davis’s important and timely motion. I am very pleased that it has been moved, because it draws public attention to and shines a spotlight on the poor performance of this government over almost a decade of responsibility for the public hospital system in this state. Because my colleague Mr Atkinson made so many important points about this government’s failure to provide funding for the rebuilding of Box Hill Hospital, I feel that I need to join him in urging this government to do that as soon as possible.

If we look at the twists and turns in the immediate history of this government, we see that the government made an early announcement with a lot of enthusiasm about the first stage of the redevelopment of Box Hill Hospital. Of course a flurry of press releases went with that early announcement, so there was an air of excitement. The local communities were held in thrall and were saying, ‘We can’t believe it; thank God something is being done about Box Hill Hospital at last!’ And something was done about Box Hill Hospital. However, what has been done serves to highlight what has not been done and how misleading this government is in terms of what it has delivered by way of redevelopment of Box Hill Hospital.

In Arnold Street, Box Hill, there has always been pressure on car parking. I know that very well, having worked at Box Hill Institute of TAFE for 10 years. I know every crack in the pavement in that precinct, and I also know a lot about the history of Box Hill Hospital. One of the things the government did do was take some of the pressure off the parking situation in that Arnold Street precinct. It built a car park and it also built a renal dialysis unit. One car park and one renal dialysis unit, which together amounted to an outlay of something like $39 million for the capital works, does not amount to the rebuilding of an entire public hospital which is also a teaching hospital and which serves so much of the catchment of the eastern suburbs of Melbourne.

I think Mr Atkinson’s way of putting into perspective the catchment which Box Hill Hospital serves is important, and I am happy to reiterate that. There is one hospital, Box Hill Hospital — a cream brick edifice which is a model of the 1950s form of public health care and a constant reminder of the systems of clinical practice of that era — and its catchment is equivalent to the population of the city of Adelaide. I am not sure
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How many hospitals there are in Adelaide, but I am quite sure there is more than one.

I can also speak with an enormous amount of authority about what it is to have a member of the family in Box Hill Hospital. My dear, now late, aunt spent some time at Box Hill Hospital early this year as an emergency patient in the first instance. We visited her and saw firsthand the crowding, the discomfort, the anxiety, the frustration of the staff, the lack of cleanliness, the general throng and, we could say, the malodorous environment of this understaffed and completely underresourced place. Thank God my aunt had been a subscriber to private health cover for most of her life and was able to alleviate her suffering and be medivacked out of Box Hill Hospital to Epworth Eastern across the road.

Epworth’s eastern facility provides a stark contrast between what the private and public health systems offer. Instead of a modern, well-funded hospital reflecting modern clinical and teaching practice, which is the case at Epworth, Box Hill Hospital is an edifice of the mistakes of the 1950s and a shrine to this government’s indifference.

It is interesting to note that the Treasurer was unable to give a clear response to questions during the period of inquiry into the budget last year and this year as to where the funding for the rebuilding of Box Hill Hospital would come from and when it would be funded. The original rebuilding cost was estimated at $800 million in 2007–08, but with this government’s management of public works projects, cost overruns and a history of excesses amounting to over $4 billion in its term, we wonder what will be the revised cost of Box Hill Hospital’s redevelopment.

Somehow or other this government is unable to see how important it is to act on this project now. I asked the Treasurer this last year but he declined to answer, so I again ask if the Treasurer will accompany me and my parliamentary colleagues Mr Dalla-Riva and Mr Atkinson on a visit to Box Hill Hospital so we can discuss these matters with the hospital administrators, the chief executive, the board and the august surgical body who are the medical, clinical and administrative heroes of Box Hill Hospital.

The people of the catchment area of Box Hill Hospital in the precincts of the city of Whitehorse, the city of Manningham and the city of Boroondara in particular have been waiting long enough for this. The trigger for this motion was the Your Hospitals report, released in July this year — a sad indictment of this state government’s performance in public hospitals.

If we examine that, we can see that unfortunately this state’s hospitals have had a dismal performance and very little improvement on the reporting in 2007–08. Unfortunately the report shows that five out of nine benchmarks were not met. This means that approximately 150 000 living, breathing, suffering people seeking medical attention and relief from their pain, fear and suffering were not able to be treated on time in the public health system in this state.

When it comes to determining the dimensions of this problem, collating the statistics and responding accurately and appropriately to the benchmarks, we all know that failure to perform against benchmarks means that the bonuses that provide an essential form of supplementation of the pared-back budgets for the operation of the public health system will not be paid. We understand the desire of hospitals to provide a perhaps less rigorously audited form of performance numbers because they desperately need to qualify for the bonus systems. We have created a particular culture as a result of that. Some people will be the fall guys and scapegoats in these sorts of things as the government seeks to have some sort of hairy-chested response.

I had the opportunity to speak to a very senior nursing administrator in recent days. This person, who operated at director of nursing level within the hospital system, told me that while this government has been running the public hospitals there has been a need for what is described as — and I do not know if the term is new to the government — the hidden drawer in which lie the real numbers. They are the numbers that the hospitals are aware of and keep track of but can never submit because of their fear of I know not what. Perhaps they are concerned that they do not want to embarrass the government. The truth is in the hidden drawer and on the faces of Victorians who are not getting seen in time and those who continue to languish on elective surgery waiting lists.

We all know that this government, by continuing to fail to plan appropriately, is perpetuating the suffering of Victorians who seek to alleviate that suffering in the public health system. We all know that if you fail to plan, you simultaneously plan to fail. The Minister for Health went on the record with a hapless kind of defence on 17 July this year. I thought it was like bleating, ‘Golly gosh, this is all unexpected. It has snuck up on us or come from left field that Victorian hospitals were dealing with record demands’. That is another form of failure.

This government cannot keep up with housing demand, it cannot keep up with passenger volumes on public transport, it cannot keep up with just about anything.
raised issues on behalf of tenants, I have been encouraged to advise them to continue to liaise with their allocated housing officer, which may under this new system be an almost impossible task.

Whilst I recognise that staff in the Office of Housing have a difficult job, particularly in a public housing system that is being completely mismanaged by the Brumby Labor government, public housing tenants are not second-rate citizens, and they deserve to have their issues responded to in a timely manner. I therefore call on the minister to re-evaluate this trial system to ensure that tenants are able to speak directly with their allocated housing officer within a reasonable time frame, not just in Shepparton but throughout the state.

### Public transport: student concessions

Ms PENNICUIK (Southern Metropolitan) — My adjournment matter is for the Minister for Public Transport, Lynne Kosky. I have received correspondence from a constituent who is concerned about the continuing refusal of the state government to extend eligibility for transport concessions to postgraduate and international students.

On 22 November 2007 my colleague Ms Hartland raised this issue in her contribution to the debate on the Transport Legislation Amendment Bill. In particular she pointed out that the Scrutiny of Acts and Regulations Committee had drawn attention to the matter in the context of that bill. The Council of Australian Postgraduate Associations has stated that state governments have remained under the radar when it comes to responsibility to support international students. The governments of New South Wales and Victoria, with education exports of $5.8 billion and $4.9 billion respectively, continue to refuse to grant international and postgraduate students eligibility for public transport concessions. Ms Hartland noted that extending student concessions to international and postgraduate students would cost around $22 million, not a lot of money compared to the billions of dollars derived in income from international students.

The Council of Australian Postgraduate Associations says that the Northern Territory tops the list as a preferred destination for international students when it comes to transport concessions. Students at Charles Darwin University and the Batchelor Institute of Indigenous Tertiary Education enjoyed the nation’s fairest arrangements for concession travel on public transport. Postgraduate, international, part-time and externally enrolled students all have access to concession travel simply by presenting a current student ID. Concession fares are also available to tertiary students.
students visiting from interstate, making the Northern Territory the most student-friendly destination in the nation.

Other preferred destinations for students include Flinders University, the University of South Australia, the University of Adelaide and the University of Tasmania. Concession travel is available to full-time students in South Australia and Tasmania on presentation of a current student ID. South Australia also welcomes visiting tertiary students who are currently enrolled interstate. Western Australia, Queensland and the Australian Capital Territory fare well, with most postgraduate and international students enjoying full access to concession travel. New South Wales and Victoria rank lowest on access to student concession travel, with Victoria taking the wooden spoon for completely excluding all postgraduate and full-fee-paying international students from access to concession travel.

In this time of economic downturn all students will be finding employment harder to secure and therefore finding it even harder to make ends meet. My request to the minister is that she extend travel concession eligibility to all postgraduate and international students in Victoria as a matter of urgency.

**Beeac windmill park and history walk: funding**

Ms TIERNEY (Western Victoria) — My adjournment matter is for the Minister for Regional and Rural Development, Jacinta Allan. It relates to an application for funding under the Small Towns Development Fund for the Beeac windmill park and history walk. Some time ago I was made aware that an application had been made by the Colac Otway shire in relation to this project. I had the opportunity to read through that submission and saw that it made a case for creating new opportunities for growth and developing the social and economic infrastructure of Beeac.

In 2010 Beeac will celebrate its 150th year, and as part of those celebrations the Beeac community is looking forward to having the Beeac windmill park and history walk up and running, not only to assist in attracting visitors on an ongoing basis but also to celebrate the small businesses that were originally very much pioneers in the construction of windmills in Beeac and the surrounding areas. We believe that if this project is successful, it will showcase surrounding areas, such as Red Rock and the dry-stone walls, and result in improved access to a number of facilities in the township.

All these objectives will increase the spending in the region and properly recognise the Beeac township as an important part of Victoria’s history. I urge the minister to support the application, as I believe this project will provide huge benefits for the Beeac community.

**Western Victoria Region: health services**

Mr KOCH (Western Victoria) — My matter is for the Minister for Health and concerns the health crisis facing western Victoria. Recent government statistics demonstrate that hospitals in western Victoria are not a priority for the Brumby government. In July there were 2172 patients on the waiting list, with 373 patients having had their surgery cancelled, 32 more cancellations than for the previous reporting period.

A massive number of 512 patients in Geelong waited more than 90 days for semi-urgent surgery, while a further 74 patients waited longer than the prescribed time for non-urgent surgery. At Geelong Hospital’s emergency department patients are being forced to endure unreasonable waiting times, with 5873 patients spending more than 4 hours before being treated. A further 4724 languished on trolleys in emergency for more than 8 hours before being admitted to a hospital bed.

Those seeking treatment in Ballarat fared no better. There are 1278 patients on the waiting list and 288 patients have had their surgery cancelled, 51 more than the previous reporting period. Also, 182 patients waited more than 90 days for their semi-urgent surgery, while a further 85 patients waited longer than the prescribed time for non-urgent surgery. In the emergency department 609 patients spent 4 hours waiting for treatment, and a further 1421 patients languished on trolleys before being admitted to hospital beds.

There has been a chronic failure by the Brumby government in planning for the future of health systems in western Victoria. Hospitals are at maximum capacity and cannot cope with increased demand and an ageing population. In Ballarat the situation is so desperate that the hospital has had to go cap in hand and beg locals for donations. The hospital recently distributed a flyer asking residents for donations so it can buy vital emergency department equipment. The flyer stated it needed to raise at least $450 000 for essential equipment such as heart monitors, vital organ machines and extra hospital beds. The hospital has also asked the local community to pay for a new short-stay unit and ear, nose and throat equipment.
Despite Western District Health Service stating that every year it struggles to make ends meet, this year’s budget has not allocated one cent to the health provider’s Coleraine campus redevelopment. The health system in western Victoria is in chronic disarray, and those in the west of the state are left waiting while services and infrastructure continue to decline.

My request to the minister is to reassure western Victorians that this city-centric government will start taking health needs seriously, particularly in relation to regional and country hospital services, by lowering waiting times, making resources available for equipment purchases and increasing patient services that are currently amongst the worst in the state.

Western Hospital: disrepair

Ms HARTLAND (Western Metropolitan) — My adjournment matter is addressed to the Minister for Health. It is in regard to the Western Hospital in Footscray. In response to a previous adjournment matter of mine on this subject, the Minister for Health emphasised the increased funding provided in 2005–06. This adjournment matter focuses on the current condition of Western Hospital.

I was recently contacted by a local resident who was disturbed by the neglect of Western Hospital in Footscray. I will quote from his email:

I was at the Western Hospital yesterday and what a depressing experience it was. The hospital is run down, the gardens are unkempt, I saw rubbish in the gardens, signs that have been taken off walls sitting in a corridor, paint peeling off some walls, architraves peeling off the wall. I felt like I was in a Third World country. The hospital is in a state of general disrepair. Regardless of what illness you are admitted with there, if you weren’t depressed to start with, you soon would be after spending time there. How can anyone have any sense of pride about having to work there? And what about people’s dignity, having to be admitted to a hospital that looks like that? I am sick to death of Labor’s neglect of the western suburbs of Melbourne. This would not happen in the eastern suburbs, it simply wouldn’t happen.

Unfortunately a staff member in my office recently attended the emergency department of Western Hospital. She reported that the staff were fantastic but the facilities were shocking.

My request today is for the Minister for Health to report when he last visited Western Hospital — the date and year; what state the minister saw the interior and exterior in; and to clarify the time frame for improving the conditions for those who work in that environment and for the patients they care for.

Housing: Dorcas Street, South Melbourne

Mrs COOTE (Southern Metropolitan) — My issue this evening is for the Minister for Housing. It is about the Emerald Hill Court high-rise flats in Dorcas Street in my electorate, and I want to discuss some issues of relevance to that. On a regular basis in a non-sitting week I run a series of listening posts where I go out and talk to people in the street. It has been extremely enlightening because people come up, speak to me and tell me about their concerns, and these are very real concerns for the people who live in and around my electorate. These concerns are varied, but they are very specific to the people concerned, and they come and spend considerable time speaking with me.

I was recently in Clarendon Street, South Melbourne, when a constituent named Lyn Coleman came up and spoke with me. She has a major concern because she lives on the 15th floor in the Dorcas Street apartments in South Melbourne, which are operated by the Office of Housing. Her father is a seriously ill invalid and needs constant medical treatment, and he lives with her on the 15th floor. However, he cannot live there with any surety because the lifts continually break down.

If there were the need for an ambulance call for her father or for anyone else who might be ill on those high-level floors, the lifts are so unreliable it is impossible for ambulances or anybody to get these people out. For example, Lyn rang last Monday to say that:

At 10.35 a.m. one of the lifts was not working. They then fixed it and now the other lift is not working and is stuck on the 15th floor.

This would seem as if it is a regular occurrence. It is an extremely difficult and highly unacceptable situation for everybody who lives in that apartment block.

As a matter of urgency I ask the minister to ensure that these lifts are reliable and sustainable and are working at all times. In addition to this, the minister needs to make certain that there is a level of communication with all the residents so they are fully aware of the situation and the latest status of these lifts. I am sure the minister is a compassionate person and will get on to this as a matter of urgency.

Buses: Shepparton

Ms DARVENIZA (Northern Victoria) — The matter I wish to raise for the Minister for Community Development concerns the need to improve transport options for some of the most disconnected and disadvantaged members of the Greater Shepparton area.
Some members will know that there are a number of smaller communities within the city of Shepparton and surrounding shires, such as Moira and Strathbogie, and that they are relatively isolated from each other and from the Shepparton city centre. Within these rural communities there are also a number of struggling families and a large group of culturally and linguistically diverse people who are less able to use private transport options. The lack of transport options not only prevents people from accessing the shopping precincts, medical facilities and services but it also stops that social connection which is so important for our communities.

I am aware of some important and welcome work being done by the local Goulburn Valley Transport Connections program to address these issues, and I am also aware of the work being done by Community Accessibility Incorporated through the Goulburn Community Transport Program. I understand this is a not-for-profit, community-run organisation and that it has made an application to the minister’s department under the community bus program. This bus program is going to provide bus services for people from community houses, men’s sheds, mental health foundations and the many culturally, religiously and linguistically diverse groups.

My specific request is that the minister support this very important application. It is an important service that is needed and will better connect disadvantaged people within the region and those who might not be able to access some of the public transport that operates within the city of Greater Shepparton.

Snowy River: environmental flows

Mr P. DAVIS (Eastern Victoria) — I raise a matter for the attention of the Minister for Water. My request centres on the matter of the undelivered promises from the government to restore environmental flows to the Snowy River, and in turn to restore the river to its more natural state. This is of fundamental importance to the environment of East Gippsland. It is equally fundamental to the integrity of the Labor government, because in this matter Victorians have been and continue to be somewhat deceived.

Labor took office in 1999 on the basis of the support of the member for Gippsland East in the other house, Craig Ingram. Mr Ingram was elected and gave Labor his support on the basis of its promise to restore the severely degraded Snowy River. Those have proved to be hollow promises, and it is time for the Labor government and its bedfellow, the Independent member for Gippsland East, to answer for this failure. Labor’s promise under former Premier Bracks was to return 28 per cent of the original environmental flows to the Snowy below Jindabyne. This was enshrined in legislation that corporatised the Snowy Hydro scheme in 2002.

Subsequently a lesser undertaking — to restore 21 per cent environmental flows — was incorporated in a joint agreement between the governments of Victoria, New South Wales and the commonwealth, and it was backed with funding of $350 million. I make the observation that you do not get much for $350 million under this government, because the flow in the once wild Snowy River has remained a trickle at less than 4 per cent of its original flow level.

In correspondence with me in February, the Minister for Water said the joint agreement between the three governments provided for the establishment of a committee that would have the task of ensuring that Snowy Hydro meets its obligations under the Snowy water licence. Victoria is represented on that committee, but it is clearly not representing the interests of Victoria, the interests of East Gippsland and of the Snowy River — a heritage landmark of the state and indeed of Australia.

We have been poorly served on this issue. I therefore ask that the minister act in accord with the government’s repeated undertakings to restore the full environmental flow commitment to the Snowy River.

Rail: Eltham station

Mrs KRONBERG (Eastern Metropolitan) — My adjournment matter is directed to the Minister for Public Transport and centres on the concern expressed by the people of Eltham about the proposed stabling of additional trains at the Eltham station.

The Nillumbik Shire Council has four stations in its area — Eltham, Diamond Creek, Wattle Glen and Hurstbridge. A report in April this year commissioned by VicTrack states that an assessment of potential train stabling options has been made. It recommends that the facilities be located at Wattle Glen, followed by Hurstbridge station, the rationale being that parcels of land, such as that earmarked by the Nillumbik Shire Council in its structure plan for the Eltham station precinct, are available to provide for medium density housing, possibly social housing and an increased commercial precinct bus interchange, extra car parking, and safe access and egress by the travelling public of Eltham.
Ironically the Nillumbik Shire Council’s plan is in response to the government’s own directive for premium stations. In a complete about-face there are now details available on the likelihood of stabling between 5 and up to 12 trains at Eltham to accommodate the requirements of the travelling public, ironically on the South Morang rail extension on the Epping line. This is a completely different line with a connection only being justified in the minds of government bureaucrats who say that the lines are grouped together.

This means the proposed sensitively and responsibly designed activities plan for the Eltham station will be replaced by stabling yards surrounded, of necessity, by a crown of razor wire atop high steel fencing and floodlit 365 days a year, which is not only a blight on the amenity of Eltham’s business, residential and sporting precincts but likely to become a graffiti tourist magnet.

My request to the minister is for her to provide a comprehensive and detailed response to me on behalf of the people of Eltham as to why such a departure from a reasoned plan to keep increased train stabling out of the vibrant, scenic and environmentally sensitive Eltham activities precinct has ever been considered.

City of Port Phillip: Ombudsman’s report

Mr D. DAVIS (Southern Metropolitan) — My matter is for the attention of the Minister for Local Government. It concerns the recent report tabled today in this place by the Ombudsman — a report of investigations into the City of Port Phillip.

This in an extraordinary report, and I compliment the Ombudsman on the work he has undertaken. I have to say that I strongly support a number of his recommendations, but I equally imagine that many in this chamber would be shocked and surprised by the activities at the City of Port Phillip, including the role of Mr Spokes and of Ms Shahbaz, the so-called white witch who was employed to undertake a series of consultancies at enormous expense — more than $600 000.

It is interesting to note item 71 of the report, which says that Ms Shahbaz, who was engaged to run a one-day workshop, states:

... that the members of the executive team were ‘enthused’ with the outcome of the workshop and that they ‘made a collective decision to get me in to do some more work ...’

The nature of the work was extraordinary. I note item 308, headed ‘Overseas workshop’, says that:

Ms Shahbaz offered a training workshop through Corporate Power —

the white witch’s company — and that the workshop:

... was called the Hero’s Journey and was designed as a specialist leadership program.

Senior officials at the City of Port Phillip were enrolled in various aspects of these leadership programs. The report continues:

... Ms Shahbaz provided an example of receiving a pedicure and manicure from a client in return for participation.

Point 309 states that her ‘method of seeking remuneration was out of the ordinary’.

There were other things such as the Rites of Passage workshop and Hero’s Journey and a whole series of arrangements and conduct deemed inappropriate for senior managers. In letting these contracts some officials clearly had conflicts of interest that have been pointed to directly by the Ombudsman.

What I seek from the Minister for Local Government — and this is somewhat at variance with the advice of the Ombudsman — is that he seek to follow a number of these individuals who have since resigned under the pressure of the Ombudsman’s investigation, to find out where they have gone and to assist the City of Port Phillip, if possible, in securing some of the funds that have been spent through tenders that were let and other inappropriate arrangements. It is ratepayers money after all, and the Minister for Local Government should have guidelines in place to assist the City of Port Phillip —

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

Responses

Mr LENDERS (Treasurer) — Ten members raised adjournment items for individual ministers, and I will refer those to those ministers. In addition I have three written responses to previous adjournment matters for the information of the house.

The PRESIDENT — Order! The house now stands adjourned.

House adjourned 10.24 p.m.