

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

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

**Wednesday, 13 September 2006
(Extract from book 12)**

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(*Assembly*): Mr Cooper, Ms Marshall, Mr Maxfield, Dr Sykes and Mr Wells.

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House Committee — (*Council*): The President (*ex officio*), the Honourables B. N. Atkinson and Andrew Brideson, Ms Hadden and the Honourables J. M. McQuilten and S. M. Nguyen. (*Assembly*): The Speaker (*ex officio*), Mr Cooper, Mr Leighton, Mr Lockwood, Mr Maughan, Mr Savage and Mr Smith.

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(*Assembly*): Mr Harkness, Mr Langdon, Mr Mulder and Mr Trezise.

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(*Assembly*): Ms D'Ambrosio, Mr Jasper, Mr Leighton, Mr Lockwood, Mr McIntosh, Mr Perera and Mr Thompson.

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FIFTY-FIFTH PARLIAMENT — FIRST SESSION

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Hirsh, Hon. Carolyn Dorothy ¹	Silvan	ALP	Vogels, Hon. John Adrian	Western	LP

¹ Ind from 17 September 2004
ALP from 10 November 2005

² Ind from 7 April 2005

³ Ind Lib from 30 November 2005

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Wednesday, 13 September 2006

The **PRESIDENT** (Hon. M. M. Gould) took the chair at 9.33 a.m. and read the prayer.

CONVEYANCERS BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

CHARITIES (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

PAPERS

Laid on table by Clerk:

National Parks Act 1975 — Report in relation to Point Nepean National Park, pursuant to section 17(2A) of the Act.

Parliamentary Committees Act 2003 — Minister's response to recommendations in the Environment and Natural Resources Committee's report on the Inquiry into the Energy Services Industry.

Statutory Rules under the following Acts of Parliament:

Children and Young Persons Act 1989 — No. 119.

Tobacco Act 1987 — No. 120.

Subordinate Legislation Act 1994 — Minister's certificate of exemption under section 9(6) in respect of Statutory Rule No. 120.

STATEMENTS ON REPORTS AND PAPERS**Notices**

Notices given.

Mr DRUM having given notice:

The PRESIDENT — Order! Before I call the next member, the Honourable Damian Drum already has his name attached to one Auditor-General's report with the Honourable John Vogels, so the member can have that one repealed.

Hon. D. K. DRUM — I would like to have the Auditor-General's notice repealed.

Further notices given.

MEMBERS STATEMENTS**Rail: rural and regional freight lines**

Hon. J. A. VOGELS (Western) — I raise an issue on behalf of many concerned councils in my electorate regarding the future of country freight railway lines. They seek assurance that the Bracks government is committed to the future viability of country freight railway lines following the decision of Pacific National to hand back control of six lines to the state government. They are also concerned about the potential loss of more lines through Pacific National further down the track.

I am sure the state government is very aware of the vital link that these lines provide to rural and regional communities throughout my electorate. Councils are very aware of our heavily trafficked road networks in this region, which is specifically why country freight rail lines need to operate at full capacity.

We need to maintain, build and strengthen our capacity and use of country freight lines as an efficient and effective means of transport and connection to our wider Victorian communities, well into the future.

I call on the government to support the retention of all country rail freight lines in the best interests of country Victorians.

Plastic bags: Phillip Island

Hon. J. G. HILTON (Western Port) — On Saturday I was very pleased to be present at a plastic bag-free launch in Cowes. The Phillip Island Retail and Business Association received a grant of \$3000 which enabled the distribution of 3000 reusable bags, 500 information cards, 150 posters and 150 badges. Local bed and breakfast operators and real estate agents will be provided with bags and information for tourists, and there will also be promotional flags for the Phillip Island bridge.

The long-term plan is to make Phillip Island plastic-bag free. I feel this is a very important initiative. We all know the damage that plastic bags cause to the environment — 10 million plastic bags become rubbish, enter the waterways, threaten marine life, damage property and machinery, and of course non-biodegradable plastic bags kill substantial numbers

of the world's seals, turtles and other marine wildlife. They can take up to 1000 years to break down in the environment.

I would like to commend the Phillip Island Retail and Business Association and the Bass Coast Shire for their initiative and I wish the project every success.

Melbourne Storm

Hon. J. G. HILTON — I also want to take this opportunity to congratulate Cameron Smith, Cooper Cronk and Craig Bellamy of Melbourne Storm. Cameron Smith had an outstanding season and was awarded the Dally M Medal, which is equivalent to the Brownlow Medal. Craig Bellamy deservedly won the award of coach of the year, Melbourne Storm being the minor premiers by four clear games. Storm had another great win on Sunday and are now just two games away from lifting the trophy at the end of the season. I would like to wish the club every success. Go Storm!

Peter Brock

Hon. W. A. LOVELL (North Eastern) — I rise to pay my respects to the late, great Peter Brock and to extend my condolences to his family. For over 30 years Peter Brock dominated Australian motor sport. As the king of the mountain Peter Perfect took on all comers and the infamous Holden-Ford rivalry became more about one man versus the rest: Peter Brock versus Alan Moffatt, Bob Jane or Dick Johnson. No challenger had the measure of Peter Perfect.

Peter Brock was not only dedicated to his sport but he was also dedicated to promoting road safety issues and he carried the .05 message on his vehicles through much of his career. Of all the tributes that has been written about Brockie over the past few days, the one that touched the most was when a journalist asked his co-driver, Mick Hone, if he would ever race again, and he replied that he would race with Peter Brock again.

I extend my condolences to Peter's partner, Julie Bamford, and his family, Bev, James, Robert and Alexandra. Farewell Peter Perfect. I hope there is a mountain in heaven because if there is, there will be a great race on this weekend.

Eastern Community Legal Centre: Boronia office

Hon. H. E. BUCKINGHAM (Koonung) — Residents in Knox, Maroondah and Yarra Ranges now have better access to legal services thanks to the new Boronia office of the Eastern Community Legal Centre which was officially opened the week before last by the

Honourable Rob Hulls, the Attorney-General in the other place.

The Boronia centre is one of four new community legal centres which were funded in the 2005–06 state budget. It will be run under the auspices of the excellent and successful Eastern Community Legal Centre based in Blackburn. The new location means much greater access to important legal and advice services for people living in the outer-eastern suburbs, and particularly those living in some of the more remote parts in Yarra Ranges shire. The new Boronia centre offers legal advice by appointment, telephone and after hours on a range of issues including family law, debt and neighbourhood disputes.

The establishment of the new centre was a result of a great deal of hard work and lobbying by a group of local MPs led by the member for Monbulk in the other place, James Merlino, a range of community groups and the board and staff of the Eastern Community Legal Centre.

I congratulate the board, staff and volunteers of the Eastern Community Legal Centre for the outstanding service they provide to our community. I note that the continuing commitment and enthusiasm for the important work they do will drive the new outer-east centre so that it too will become an integral service provider in the outer east.

South Eastern Province: volunteers

Hon. R. H. BOWDEN (South Eastern) — I would like to express appreciation for the concept of volunteerism and the selfless service to the community by tens of thousands of various volunteers within the South Eastern Province who serve the community in important facilities like the Country Fire Authority, the State Emergency Service, as justices of the peace and a wide variety of other roles. It is almost impossible to completely recognise those people who provide such valuable service. Just as a representative short list I would like to recognise the community service of Bruce Buchan in education, Ruth Rae for services to scouting and guides, Ken Archer for Rotary and aged care, Shirley Archer for aged care and community visitation, Bill Rae for field and game activities and Captain Dick Cox, the Western Port harbour master.

The contribution that our tens of thousands of volunteers make to the community is priceless. Those individuals whom I have mentioned are representative of the many people who serve selflessly and make a wonderful contribution to our community.

The concept of volunteerism is extremely important because it is given from the heart by people who care and are dedicated. Because it is unpaid work it is extremely important for not only the type of service that is given but its value to the community.

Winton Raceway: V8 supercars

Hon. R. G. MITCHELL (Central Highlands) — There is fantastic news for the residents of Benalla and the north-east of Victoria in general, with the Australian Vee Eight Supercar Company Pty Ltd (AVESCO) announcing next year's V8 supercar season and that the races will be on again at Winton. The V8 supercars bring a lot of visitors and money to the north-east region, in particular around Benalla, Wangaratta, Mansfield et cetera. It was through the hard work of people like Mick Ronke, the shire, with mayor John Brownstein, and members of the community who got behind it, that AVESCO was convinced that the only event held in regional Victoria for V8 supercars is worth having and is worth having at Winton. Winton offers probably the best viewing of any racetrack across Australia. The turnout of some 100 000 over the last three days of the last event is proof of just what a fantastic event it can be and what a fantastic place to be, in the north-east of Victoria in and around Benalla, Mansfield et cetera, where there are many wonderful things to see and do.

Hon. E. G. Stoney interjected.

Hon. R. G. MITCHELL — The government has been very helpful to Winton. We have put in a lot of infrastructure and been involved in meeting the challenges that are faced by AVESCO as they go. If members have a free weekend from 18 to 20 May next year, it would be worth their while getting up to Winton and seeing what a fantastic event the local community can run. Let us hope that it stays on the calendar for a long time to come.

Planning: Mornington Peninsula

Hon. D. McL. DAVIS (East Yarra) — My matter today concerns the future of the Mornington Peninsula and in particular the need for a separate and distinct planning policy for the Mornington Peninsula. It is disgraceful that the Minister for Planning has now ruled on the peninsula and Melbourne 2030. It is now full steam ahead — the metro sprawl is going to head down the peninsula, with the high-rise, high-density development that people in the Labor Party on the peninsula support. The public meeting I spoke at there left me with no doubt about what people on the peninsula expect and want. Nobody on the peninsula to

whom I have spoken wants high-rise, high-density development, as provided for the peninsula in Melbourne 2030 and as led off by this government in the Mornington township.

The only people in favour of high-density, high-rise development — Melbourne 2030-style development — on the peninsula are members of the Labor Party. Mr Puls, the candidate for Mornington, Ms Buchanan, the Labor member for Hastings and the upper house members are supportive of the government plan to push development onto the peninsula and are refusing to recognise its separate and distinct nature. People move to the peninsula to get a new lifestyle, one that is different from that in metropolitan Melbourne; the tourism industry depends on it — and Labor has to be stopped.

Federal Parliament: superannuation

Mr SMITH (Chelsea) — My matter is a little controversial, I suppose. I rise to condemn the Prime Minister for his initial decision to reduce the superannuation of incoming politicians at the next election. This was a pathetic, knee-jerk reaction to the misguided views of Mr Mark Latham. I note that Mr Mark Latham, the hypocrite, is a beneficiary of the old system. The Prime Minister has compounded that decision with his attempts to rectify it by increasing employer contributions from 9 to 15.4 per cent and adding three months salary for those defeated members of Parliament who qualify.

The cold, hard fact is that the issue of politicians' salary packages will always be contentious. Therefore we should have a genuine debate on the issue, not these pathetic attempts to paper over it. The Prime Minister claims that the gene pool is enhanced by having an appropriate package. He is correct. This was also the case when he was spooked by Mark Latham. What has changed since then? Nothing. The political expediency displayed by this Prime Minister knows no bounds. I call upon the Prime Minister to initiate a review of all salaries and conditions that apply, to address this issue once and for all.

Aboriginals: Sunraysia employment project

Hon. B. W. BISHOP (North Western) — Last week I had the pleasure of attending and speaking at the indigenous employee of the year award dinner at Mildura. The function was essentially an evening to celebrate outstanding success and personal achievement. It was the crowning event to finish off the Sunraysia Area Consultative Committee's employment project.

The project is seen as a success for many and varied reasons, not the least being that it has achieved the milestone of assisting over 100 — I believe the figure cited that night was 140 — indigenous job seekers to gain full-time employment since July 2003. It is a really good effort. This program, and others like it, is important for many reasons. It attracts funding and financial assistance to a wide range of employers in the area and it gives otherwise disadvantaged youth the opportunity to lead full and rewarding lives. It does so by maintaining their pride and dignity whilst delivering a sense of purpose, achievement and success.

It has been a team effort, and that should not be missed. The youth, employers, mentors and people behind the project should rightly be proud of what has been achieved. The biggest achievement is that of the young people who have rightly become role models for all our youth, regardless of race — and they have been an inspiration to many others. They were game enough to get up and have a go. The career paths these participants have chosen or been invited to investigate further are very diverse.

The evening was a great success due to the efforts put in, but the real success story — —

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

Hospitals: privatisation

Mr VINEY (Chelsea) — Yesterday morning I was listening to *AM* on 774 ABC radio and heard the federal Minister for Health and Ageing, Tony Abbott, suggest that public hospitals should be managed by the private sector. I was reminded of the privatisation of hospitals in Victoria during the period of the Kennett government. I thought it was a timely reminder to everyone in Victoria of the kind of policy and philosophy the Liberal Party would have if it came back into government in Victoria. It would privatise our public health system again, as it did in the Latrobe Valley with the Latrobe Regional Hospital. That turned out to be a complete failure, and the government had to come in and rescue it.

Mr Abbott has let the cat out of the bag; the Liberal Party is still the same leopard. It has not changed its spots and intends to go down the same path of privatising our health system — of cutting, slashing and burning — if it gets back into government in Victoria.

The Leader of the Opposition in the other place, Mr Baillieu, says he does not regret the closure of 300 schools in Victoria. It clearly is not going to — —

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

Multicultural affairs: language services project

Hon. KAYE DARVENIZA (Melbourne West) — I want to let Parliament know that I was delighted to attend the Colliver Road Children's Centre in Shepparton on Monday to launch a language services project. It is a partnership between the Regional Information and Advocacy Council, the Department of Human Services Hume region and the Victorian Office of Multicultural Affairs. It is a resource that has been developed so that providers of services to young children have a booklet that gives them information about families from the various regions — where people have migrated from or have come as refugees to settle in the Greater Shepparton area. It gives them cultural and historical information about how these cultures have dealt with their families and children, so it gives them an appreciation of some areas of cultural sensitivity. The centre also provides an information sheet so that service providers are easily able to contact an interpreter if needed. It is a very valuable resource, and I congratulate all those involved in this project.

GAMBLING REGULATION (LIMITATION OF NUMBER OF GAMING MACHINES) BILL

Second reading

By leave, ordered that second-reading speech be incorporated on motion of Hon. PHILIP DAVIS (Gippsland).

Hon. PHILIP DAVIS (Gippsland) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

Today I introduce the Gambling Regulation (Limitation of Number of Gaming Machines) Bill 2006, which will amend the Gambling Regulation Act 2003 to impose a cap on the number of gaming machines in Victoria.

Problem gambling does not just affect the person with the addiction. It also affects partners, children, extended families, friends and our local communities.

When gambling is no longer a fun recreational activity and becomes an obsession, there are horrific consequences. Crime, drug and alcohol addiction, family violence and abuse, financial hardship, divorce and broken homes are some of the most common consequences.

While the flow-on effects through families and communities from gambling problems are obvious, the true extent of the damage cannot be accurately judged because

gambling-related crimes are not recorded as such. Therefore there are no statistics that show us in black and white the real extent to which problem gambling is affecting our communities.

What we do know is that Victoria has a population of 3.9 million adults over the age of 18. In Victoria there are 521 gaming venues with 27 500 gaming machines outside the casino. In the past year, gamblers spent \$2 472 451 853 on gaming machines. This equates to \$630 for every single Victorian, whether they gamble or not.

Welfare organisations such as the Salvation Army, St Vincent de Paul and Wesley Mission are often left to deal with the aftermath of gambling addiction in both metropolitan and country Victoria. Such is the issue of problem gambling, that central to the activities of all these organisations are support services to those affected by gambling problems. They are dealing with the poverty and social problems that are a direct result of gambling addictions.

At the root of the financial, criminal and social problems created by problem gambling are poker machines. The reasons why some people are susceptible to addictions such as gambling while others can have the odd flutter and walk away are varied. But the fact remains that if fewer gaming machines existed in Victoria, the fewer opportunities those with gambling issues will have to feed their addictions.

The Liberal Party believes there are many things that need to be done to curb problem gambling in Victoria.

We believe the ban on 24-hour poker machine venues other than Crown Casino should remain, in conjunction with the mandatory minimum closure of 4 hours.

The current self-exclusion program should be extended to include all hotels and clubs. This would make it easier for those who recognise they have a gambling problem to exclude themselves from their addictions.

The Liberal Party proposes cash payouts for gaming machine wins be capped at \$1000, with the balance to be paid into a nominated bank account only. This would prevent problem gamblers from losing their winnings.

The current ban of automatic teller machines on the gaming floor should be maintained, along with daily withdrawal limits of \$200.

There are a number of initiatives the Liberal Party believes should be implemented to assist problem gamblers. The first step in gaining control of problem gambling in Victoria is to propose the Parliament adopt a legislative cap on the number of gaming machines in Victorian gaming venues.

The number of gaming machines in Victoria outside the casino is subject to ministerial direction, with a current cap of 27 500 set by the Kennett government.

Through this private members bill, it is proposed that the act be amended to limit the number of gaming machines available under ministerial direction to 22 000.

This limit would be in place from 15 April 2012, allowing for current licences to expire.

The Liberal Party also proposes that the established 80:20 distribution of machines between metropolitan and country

Victoria be maintained. The distribution between hotels and clubs will also be maintained at the present fifty-fifty split. We recognise small clubs and hotels, with fewer than 25 gaming machines, are likely to be made unviable if they lose machines, therefore these hotels and clubs will retain their present number of machines.

Venues with less than 25 gaming machines should be exempt from reductions, venues with between 26 and 100 machines will be required to reduce the number of machines to either meet the new threshold of 25 or meet a 20 per cent reduction and the maximum number of machines permitted at a venue should be 80.

In addition, the Casino Control Act 1991 limits the maximum number of gaming machines in the casino at 2500.

This is a once-in-a-lifetime opportunity to reduce the number of gaming machines in Victoria. Such an opportunity will not arise for another 20 years following the issuing of new licences.

Problem gambling is placing an unacceptable and unsustainable burden on families, communities and the welfare system.

Limiting the number of gaming machines available to problem gamblers is the first step in gaining control of this social affliction.

Therefore I commend the bill to the house.

Debate adjourned on motion of Hon. KAYE DARVENIZA (Melbourne West).

Debate adjourned until next day.

CIVIL UNIONS BILL

Introduction and first reading

Hon. A. P. OLEXANDER (Silvan) introduced a bill to provide for civil unions, to make consequential amendments to certain acts and for other purposes.

Read first time.

Second reading

By leave, ordered that second-reading speech be incorporated on motion of Hon. A. P. OLEXANDER (Silvan).

Hon. A. P. OLEXANDER (Silvan) — By leave, I move:

That the bill be now read a second time.

Incorporated speech as follows:

The Civil Unions Bill 2006 is a long overdue and historic piece of legislation.

It builds strongly upon major steps forward which have been taken by successive Victorian governments, of all particular political persuasions, in the areas of human rights over many years.

This bill, and its enactment by the Parliament of this state, enhances Victoria's position as a jurisdiction which makes real a commitment to equality, freedom, dignity and respect for all of its people, without fear or favour — without bigotry or prejudice.

It is a bill which edifies Victoria's commitment to equality of opportunity, and equality before the law for each of its citizens. It is a piece of legislation which works to enhance Victoria's equal opportunity legislation and domestic partnerships laws in a very important and meaningful way.

This bill draws strongly upon the excellent and well-intentioned work of the Australian Capital Territory (ACT) government in its civil unions legislation which was overturned earlier this year by the federal Parliament which used its territories powers under the federal constitution.

This piece of legislation, whilst closely modelled upon the courageous work done in the Australian Capital Territory, is not constitutionally put at risk, or jeopardised, by the invocation of the territories powers of the federal Parliament.

As a sovereign state of the Australian federation, Victoria has an unassailable constitutional right to promulgate legislation such as this. The successful passage of this bill through both houses of the Victorian Parliament would mark a first for any Australian state, and would act as a beacon to other states who also value equality, freedom, dignity and respect for all of their citizens.

But the Victorian Civil Unions Bill 2006 also differs from the ACT legislation in some important ways.

This bill uses the term 'gender' rather than 'sex' as occurred in the ACT legislation. The term 'gender' is more inclusive of those people who are intersex individuals and those who undergo gender reassignment medical treatment.

Also, this bill does not automatically confer the right to facilitate a civil union onto marriage celebrants who are empowered under federal laws.

Suitable individuals will be entitled to apply to the Victorian registrar of births, deaths and marriages for registration as a civil union celebrant. The registrar will be empowered to prescribe the circumstances and procedure for this to take place in Victoria.

Marriage celebrants will not be prevented from being separately registered as civil union celebrants in Victoria if their applications are successful.

It needs to be stressed that a civil union is not a marriage as defined by federal law. In no way do civil unions affect or impact on marriages as they are currently defined by the commonwealth.

Civil unions are a completely distinct legal mechanism by which two individuals can have their relationship formalised and acknowledged by the state of Victoria, and thereby attract similar, and in some cases identical, responsibilities, entitlements and rights to those which accrue to married couples in Victoria.

The mechanics and technical aspects of this bill are relatively straightforward, and in many instances adopt rules which apply rules which apply to couples who are married under federal law.

In a similar way to the federal Marriage Act 1961, this bill establishes safeguards around the establishment of civil unions.

These include: the minimum ages of participants; existing prior relationships; prohibited relationships; notice of intention to enter a civil union; authorisations and consents; terminations; court orders; registration of celebrants; cancellation of registrations; identification and certification; and recognition of corresponding laws of other jurisdictions.

In most instances, these provisions of the bill replicate exactly those rules which apply to marriages, but in some instances the provisions differ where the context of Victorian legislation differs from that of the commonwealth.

The Civil Unions Bill also amends consequentially a number of other pieces of Victorian legislation. Chief amongst these is the Births, Deaths and Marriages Registration Act 1996. This act is amended to allow the registration of civil unions and other related matters.

In recognition of the fact that all rights and entitlements should be accompanied by commensurate responsibilities and obligations, the schedule of consequential amendments makes changes to 47 other pieces of Victorian legislation.

These include the Accident Compensation Act 1985; Administration and Probate Act 1958; Crimes (Family Violence) Act 1987; Education Act 1958; Education and Training Reform Act 2006; Equal Opportunity Act 1995; Guardianship and Administration Act 1986; Health Records Act 2001; Human Tissue Act 1982; Land Acquisition and Compensation Act 1986; Land Tax Act 1958; Members of Parliament (Register of Interests) Act 1978; Parliamentary Salaries and Superannuation Act 1968; Police Assistance Compensation Act 1968; Property Law Act 1958; Residential Tenancies Act 1997; Retirement Villages Act 1986; State Employees Retirement Benefits Act 1979; State Superannuation Act 1988; Transport Accident Act 1986; Victims of Crime Assistance Act 1996; Wills Act 1997 and the Witness Protection Act 1991.

These and other acts are amended to accord the same responsibilities and rights to those in a civil union with those who are married.

This bill recognises that the argument that only heterosexual relationships are worthy of equality before the law is no longer tenable.

This truth is as salient today as our acceptance that the world is not flat, women are not inferior and homosexuality or gender identity is not a choice.

Civilised democracies now accept that denying people basic human rights based upon sexual orientation, gender identity

or any natural factor which is different to most, but natural to many, is no longer an acceptable justification in a modern social context.

It is this reality, and the progressive and sophisticated advancement of a just and fair society that propels this bill, and it is that which I call upon today.

In presenting this Civil Unions Bill to the Victorian Parliament, I am asking you, the elected leaders of a civilised state, chosen for your sense of justice and equality for all — the very foundations of fair governance — to no longer tolerate the abrogation of the human rights of many Victorians.

Those Victorians who are currently denied their human rights come from all walks of life — we are nurses, teachers, plumbers, doctors, lawyers, farmers and, yes, even politicians — and we seek the basic platform of equality afforded all other Victorians.

Support for this bill will enable us to lead proud, decent, legitimised and honourable lives — like any other citizen who chooses to call the state of Victoria home.

To continue to deny every Victorian the right to honour their relationships in such a manner, and without the full protection of the law, is to diminish the value of their relationships, their contribution to society, their self-worth and most importantly their fundamental human rights.

Less than 20 years ago, the formal recognition of same-sex relationships was considered unobtainable by most. But history has shown that good ideas, that logical debate, that timeless rationale will ultimately triumph over discrimination, and over inexplicable bigotry and prejudice.

Whilst this bill will not stop many acts of bigotry and prejudice against same-sex-attracted people, or the gender diverse, it will grant dignity, grace and pride to those among us who have been or are the victims of bigotry, discrimination and prejudice in this state.

I ask members to ponder this question: how can we expect our community to recognise the formal and legal legitimacy of same-sex relationships if our lawmakers choose not to?

The passage of this bill will grant many Victorians the right under Victorian law to be acknowledged in their relationships by their friends, families, children and fellow Victorians. The passage of this legislation will send a powerful message of acceptance and respect.

The passage of this bill will encourage many gay and lesbian Victorians to abandon lives sadly led in a cloak of secrecy and shame, and enable them to take their rightful place as proud and equal citizens of this state. The forces which promote prejudice and discrimination in Victoria can only be weakened by the passage of this legislation, and the opportunity for all Victorians to embrace a rich tapestry of diversity will be enhanced.

The passage of this legislation will enable parents to share in the celebration and formal declaration of their children's love and happiness. And in doing so, we will grant mums and dads, aunts and uncles, brothers and sisters, grandparents and cousins the greatest of all wishes — to see their loved ones happy — without harming or hurting anyone. This should not be our choice, but a duty of good and fair governance.

Denying same-sex couples and the gender diverse the equality taken for granted as a fundamental human right by the rest of Victoria's people perpetuates an injustice and a continued prejudice which a large majority of Victorians will no longer accept or tolerate.

This bill is worthy of the support of all members of this Parliament, and has the support of all fair-minded Victorians.

I commend the bill to the house.

Debate adjourned on motion of Hon. J. G. HILTON (Western Port).

Debate adjourned until next day.

WATER: MANAGEMENT

Hon. W. R. BAXTER (North Eastern) — I move:

That this house condemns the government for its mismanagement of Victoria's water resources, its failure to plan for prolonged drought, its knee-jerk and ill-conceived proposal to pipe water from northern Victoria across the Great Dividing Range to Ballarat and calls for the immediate implementation of bold water saving measures, including recycling wastewater and capturing storm event run-off and that these initiatives be funded from the \$1.6 billion the government has extracted from water authorities by way of 'dividends' since coming to office.

At the outset I want to say that The Nationals will concede 10 minutes of their allocated time to Ms Hadden, who also desires to make a contribution to this debate.

The motion I have just moved is in a number of parts, each of which is in itself worthy of a debate. I will be dealing with some of the aspects and my colleagues will be dealing with others. There is no doubt that the Victorian community is rapidly coming to the conclusion that this government is grossly mismanaging Victoria's water resources, and the community is rapidly coming to the conclusion that the current Minister for Water is clearly out of his depth in managing water resources.

This is not a drought that has suddenly come upon us. It is not as if we have not had due warning about it; we are now in the ninth successive year of below average rainfall in Victoria. It has been a creeping situation. It has not suddenly occurred, and the government should have been taking notice of it.

There are the ill-conceived and knee-jerk reactions to this shortage of water that I will deal with at some length, and I will look at some of the initiatives that the government ought to be taking for the long-term benefit of Victorians. I will examine what has happened to the \$1.6 billion the government has extracted from water

authorities since it came to office, as well as talk about the secret environmental levy — the secret tax — it imposes on water consumers in this state.

Let me at the outset talk a little about the drought. Despite the fact, as I have said, that Victoria — and particularly the southern half of the nation generally — is in the ninth successive year of rainfall deficiency, I was quite alarmed and found it extraordinary that in the budget speech bought down by the Treasurer in May this year the word 'drought' was not once mentioned.

Hon. B. W. Bishop — The Treasurer did not know it was on.

Hon. W. R. BAXTER — There was no acknowledgment whatsoever, Mr Bishop, of the disaster that was approaching Victorians. I was even more alarmed at the Public Accounts and Estimates Committee hearing into the budget estimates to have the Minister for Agriculture from another place, Mr Cameron, not once in his presentation to the committee mention drought.

At that hearing the minister seemed to spend most of his time claiming credit for restocking Lake Yarrambat in, I understand, the electorate of Yan Yean as if that were some great achievement of the Department of Primary Industries. What on earth the provision of fish for recreational fishers and tourists has to do with the agricultural portfolio quite escapes me.

Be that as it may, it was left to me through questioning on behalf of the committee to try to find out from Minister Cameron how prepared his department was for drought. I was very disappointed indeed with his responses, and a perusal of the transcript of the committee's hearing will quickly demonstrate why I was so disappointed.

Let us acknowledge how serious this drought is. There is now destocking going on across much of Victoria, particularly in the Wimmera and the Mallee. Not only is feed disappearing but surface water is disappearing and you cannot maintain stock, even if you buy in feed, if you do not have any water for that stock.

For example, in the state's irrigation areas, the prime dairying area in the Goulburn Valley this season has a water allocation of 17 per cent; it is only the second time in history that less than 100 per cent has been allocated. The Greenham abattoir at Tongala specialises in dealing with that class of livestock dairy cows, but instead of it being the traditional old choppers going into that abattoir, valuable young stock are going through it now; farmers can no longer keep those cows because they have no water to grow feed for them.

Here we are, midway through September, and we have had no decent rain. We and the government cannot be Micawber-like, hoping that something is going to turn up because even if the heavens open in the next month or so, the prospect of Goulburn Valley farmers getting anywhere near their water entitlement this year is simply nonexistent. Yet they are expected to pay for the water they are not getting. The government has been very unsympathetic in considering what action it might take to alleviate that hardship. It is little wonder that we are seeing extraordinary stress coming to the surface among farmers and small businesses in the Goulburn Valley as they approach the prospect of one of the most serious seasons ever in this country since European settlement.

What have we had from the government since the member for Albert Park in the other place, John Thwaites, has been Minister for Water? We have had glossy brochures, we have had the green paper and we have had the white paper. I am all in favour of planning for the future — of going out and consulting the community, of addressing the way we have done things in the past and finding better ways to do them in the future — but I was pilloried in some parts of my electorate for saying the white paper was a reasonable document. I still believe it is a reasonable document, but where is it now? Is it the bible that is guiding this government now? Is it what the government is following? No. The government has gone into absolute panic mode.

We have listened to the Minister for Water claiming credit for putting water down the Snowy River out into Bass Strait and we have listened to him claiming credit for the Living Murray initiative and the funds that are being spent on River Murray health — despite the fact that most of the funds were coming from the federal government in any event — and we now have Mr Thwaites going into panic mode. He has lost the plot when it comes to managing water, and he is running around the state like a headless chook. We are getting all sorts of off-the-cuff announcements coming at us willy-nilly. First the Ballarat pipeline proposal was announced. Then yesterday or the day before the announcement was made about shower heads — according to the newspapers 180 000 shower heads are to be issued free of charge. One wonders what the definition of 'free' is in that context, bearing in mind there is a secret environmental tax on water users and presumably that is what is being used to pay for these shower heads.

What do country people think about this minister now, and what do they think about some of his announcements? I want to demonstrate to the house

some of the attitudes that are being expressed around country Victoria. If we look at the *Weekly Times* of last week we see that it states:

Goulburn irrigators and communities are reeling from another horrendous drought.

What does water minister John Thwaites do? He offers to pipe their water into crucial Labor electorates. The big headline is 'Condemned'.

If we look at the *Country News*, which circulates widely in northern Victoria, we see the headline 'Irrigators horrified'. If we look at the *North East Farmer* we see the headline 'You're (pipe) dreaming'. If we look at the *Wangaratta Chronicle* of Monday this week we see the headline 'Livelihood being drained away'. That is referring in particular to Lake Mokoan, but nevertheless that sentiment about the Ballarat pipeline proposal is being felt and expressed by farmers and townspeople right throughout northern Victoria. Their livelihood is being drained away for the benefit of other Victorians. The *Border Mail* of Saturday 26 August, in a somewhat different context, has a front page photograph of the Minister for Water and a story headed 'Artful dodger'.

I want to say to members of the Labor backbench that this minister has become a liability to them. He is now out of control. It is all very well for them to think they came to government in 1999 on the back of a regional vote which may have turned from the then government. I say to these Labor backbenchers that they now have in Minister Thwaites a minister who is rapidly losing support for their party throughout regional Victoria because of his behaviour, his off-the-cuff decisions, his failure to put forward a coherent policy and, above all, his deception.

Hon. P. R. Hall — Like the Artful Dodger, he will eventually be caught out.

Hon. W. R. BAXTER — That is right, Mr Hall. Like the Artful Dodger, he will be caught out.

Ms Carbines — A fictional character.

Hon. W. R. BAXTER — Maybe Mr Thwaites is a bit fictional; that is true. Let me talk about this deceptive behaviour in relation to the Ballarat pipeline. Mr Thwaites was in Shepparton on the very day he later announced the Ballarat pipeline proposal in Ballarat. When he was in Shepparton did he mention that he was about to announce a proposal which would take water from Shepparton to Ballarat? One would have thought any honest politician and any honest minister of the government, being in the place from whence water was

about to taken, might have taken the locals into their confidence. But, no, the Minister for Water came up there spruiking his usual spin about how good the Bracks government is in terms of managing water, and never once gave the slightest hint of what he had in mind to announce later in the day. I think that is very deceptive.

Hon. D. K. Drum — Gutless.

Hon. W. R. BAXTER — And it is, to use Mr Drum's term, gutless. No wonder the Minister for Water in the other place is losing the confidence of the people of Victoria, particularly those in country Victoria. Just think for a moment about the principle of piping water from the Goulburn Valley over to Ballarat. In a sense that principle gets a bit of a run in today's *Age* in reference to Gippsland with the proposal to take good potable water from Gippsland back to Melbourne and exchange it with recycled wastewater flowing from Melbourne to Gippsland. I notice one of the mayors said it was pinching Gippsland's water to prop up development elsewhere in Victoria, and that is pretty right.

That is exactly what the Ballarat pipeline proposal is all about. It is pinching water out of the Goulburn Valley, an area that is already under pressure as I have already demonstrated, to take it across the Great Dividing Range to promote development in Ballarat. I have nothing against Ballarat; I hope the city develops and keeps growing, and I hope industry continues to go to Ballarat, but surely it has to find water resources on its side of the Divide rather than bringing it out of the dry north. What is the next thing? If you pipe it over the Divide to Ballarat you set a precedent, and it is obvious that the next thing is to pipe it to Melbourne. We know when the water resources bill was before this Parliament the Minister for Water said with his hand on his heart that he would never take water from north of the Divide for metropolitan Melbourne. But we all recall that he would not put it in the legislation. He would not accept our challenge to put it in the legislation, and I say he is no longer trusted. Country people no longer believe the assurance he gave a couple of years ago, and they are in grave fear that they are about to have their water purloined for Melbourne as well.

Geelong is next on the list. If you are going to pipe it to Ballarat why would you not pipe it to Geelong? No wonder country people are very concerned about this. What are the implications if you allow water to go from the north of Victoria across the Great Dividing Range into the south? Some people predict that climate change is serious, and as far as I am concerned the jury is still

out on climate change, but there is no doubt there is circumstantial evidence that we are in a period of substantial climate change.

One should look at some of the worst-case scenarios put forward by organisations like the CSIRO, for example, that has said it could lead to a reduction of up to 45 per cent in the Murray–Darling Basin catchment and if not at least in the order of a 25 per cent reduction in stream flow in the Murray–Darling Basin. If that comes to pass by the year 2050 — and I have no way of knowing whether it will or it will not, and I do not think any scientist knows it yet — surely every drop of water in the Murray–Darling Basin will be required to grow food to feed the cities of Australia and to earn export income.

We already know that the great food bowl of Australia is in our irrigation areas. We produce an immense amount of our production off a very small proportion of our land mass, and that is mainly the irrigation areas. If climate change is going to mean a reduction of stream inflows in that area in the order of 25 per cent, how can the purloining of water from that area to take it over the Great Divide to an urban population ever be justified at this time? We are going to need every drop of water in the agricultural industry in the future if climate change is on the way to the degree that some scientists are suggesting.

I have in my pocket a badge that I got in Toronto, Canada. It says, 'Farmers feed cities!'. Melbourne people need to remember that. Those who are advocating that we remove water from agricultural irrigation areas into urban areas remote from those localities need to remember that is the situation and that in due course they may very much regret that they have undermined the capacity to produce cheap, abundant, clean green food for the cities.

As I have often remarked in this house, we need to remember that farmers are not the end users of the water. It is those people who go into the supermarkets and buy the iceberg lettuce, the litre of milk and the lamb chops who are the end users of water. They are the consumers. Let us get away from this assertion that farmers are using 75 per cent of the water and that they can therefore relinquish some of it. They are not the end users; the food consumers are the end users, and let us never forget that.

If one looks at some of the surveys that have come out in recent days about how little metropolitan people understand what happens on farms, one can see how easy it could be for political decisions to be made that play to the gallery rather than take into account what is

realistic in this country and what our long-term future is going to be.

We all acknowledge, for example, that Bendigo has a very severe problem with its urban water supply — and I am sure my colleague Mr Drum will make some reference to that. But surely if anything is to be done in Bendigo — and a pipeline to Bendigo may well be built — we have first to look at what savings can be made in the Bendigo area itself. This government needs to have a good look at its planning provisions, because I understand there are many aesthetic and domestic dams on rural lifestyle properties being installed upstream of Lake Eppalock. Despite the fact that the municipalities are refusing permits, the proponents are taking their plans off to the Victorian Civil and Administrative Tribunal, and it is authorising the construction of that water storage. This seems to me to be an absolute conflict in public policy, and the government ought to have a look at it.

I know the government has said, 'If we have got willing sellers of water, why can we not go into the marketplace and buy it for urban supplies?'. I say we need to keep our scarce water resources in agriculture, which keeps on producing wealth year after year. We do not want to be spiriting that water off for filling urban swimming pools. We cannot afford to use the resource for a non-productive use such as that. We need to maintain our water supplies in agriculture. Yes, there will be trading; yes, there will be willing sellers and willing buyers; but we need to keep the water within the wealth-producing segment of the community.

We should just have a look at what this government has done since it has been in office.

Hon. J. A. Vogels — Nothing.

Hon. W. R. BAXTER — That is about right, Mr Vogels, in terms of water. It has not initiated and completed one water savings project. I notice that in the *Herald Sun* on Monday the minister is reported as claiming credit for the Eildon Dam wall. The Eildon Dam wall has been strengthened — work mainly paid for by the irrigators, as it happens — but that process did not preserve or acquire one extra litre of water. It is not a water savings initiative to strengthen the Eildon Dam wall. It is not saving one jot of water, yet the minister is reported as claiming in the *Herald Sun* on Monday that this was a water savings initiative by his government.

We can look at the Lake Mokoan project initiated by this government — but certainly not finalised by it. If ever there was a flawed process, the Mokoan example

should be looked at in terms of how the government managed it. It is the fast train and Southern Cross station et cetera revisited. There was a failed consultation process, failure to guarantee security of supply for the irrigators who rely on Lake Mokoan, an inability to convince the citizens of Benalla that they will not be flooded if Mokoan is decommissioned and a proposed wetlands restoration with funding originally set at \$1 million, when everyone knows that area will just end up as a haven for weeds and feral animals and that much more than \$1 million will be required if Mokoan is decommissioned and the wetlands restored. It was a flawed process from go to whoa, yet it is the only initiative that this minister can lay his hands on in any attempt whatsoever to get some water savings through infrastructure provision. I do not think anyone is confident that this minister can deliver on Lake Mokoan at all.

Let me turn to look at the \$1.6 billion in dividends the government has extracted from the water authorities since it came to office. It is an extraordinary amount of money in dividends, and in a sense they are dividends — the government is the owner of these authorities, and owners usually expect a return on their investment. But I would have thought, bearing in mind how run down some of our urban water infrastructure is in this state, it might have been far better if the funds that were taken as dividends had been reinvested in upgrading the infrastructure. For example, City West Water has had between \$50 million and \$90 million a year taken from it by way of dividends, yet we all know that the part of Melbourne's water supply infrastructure that is administered by City West Water is the oldest part, that many of the pipes are made of cast iron, that many of them are in very poor condition and break, and that we have water loss of quite significant volumes. Yet the government has seen fit to rip out that money, which might have been better spent on replacing that very aged infrastructure.

One can also look at what the government has taken in dividends elsewhere, such as from Melbourne Water. It took \$114 million in 1999–2000, \$119 million the following year, then \$98 million, \$99 million and \$96 million in the following three years, and \$41 million this year. That is an extraordinary outflow of funds which could have been better spent on upgrading infrastructure. And one could go on and on about this.

What is there to show for it? Where have the funds garnered by way of those dividends been spent? Have they been spent on infrastructure upgrades in the water industry? It appears not, or not to any degree in any event. I think the government has woken up to the fact

that it has been managing water authorities poorly, because if one looks at some of them now, particularly the rural bodies, one sees that the government has not taken a dividend from them for a couple of years. I applaud that, but it is a pretty poor show that it took this greedy government so long to wake up to the fact that you cannot bleed these authorities dry and expect them to maintain their assets.

Of course we also have the environmental levy — this secret tax that every water consumer is now paying. We know what this government did. It refused to allow the water authorities to list the levy as a line item on water rate notices because if that were done people would know they were paying a tax, could hold the government to account and could inquire as to where that tax was being spent. It is just being ripped out of them in a very deceptive manner. No-one knows where that money is going, but presumably it will pay for the shower heads that the minister has been crowing about this week.

I want to leave time for my colleagues to contribute to the debate, but I ask the question: what work has been done on stormwater collection, for example? The surface area of Melbourne — concrete, bitumen and roofs — collects a tremendous amount of water amounting to millions of megalitres a year. That water runs out to sea after every storm event. We are facing a water crisis, yet it appears that no serious work at all has been done on collecting and reusing that water.

When we look at water recycling we get the Gippsland situation, which Mr Hall will talk about. What we are seeing there — what country people see and I think what city people are now seeing — is that this government has gone into panic mode. It does not have the answers, and it has been unable to deliver any water savings projects of any significance at all. We have had plenty of spin, but now the government is robbing Peter in the country to pay Paul in the city by bringing water from country areas into urban areas, even across the Great Dividing Range.

The government is certainly upsetting country residents, as I have alluded to in the newspaper articles I have quoted from. But it is also annoying and upsetting city residents, because they see Labor's no-new-dams mantra as robbing Melbourne of its very valuable reputation as one of the most livable cities in the world and turning it into some sort of Los Angeles desert because of its failure to properly plan for Melbourne's future water supply. The government really has the tiger by the tail when it comes to water. It is the issue that can bring down the government. It is an issue on which the Minister for Water, despite all the

promises when he took over the job in 2002 about how great he was and what he was going to achieve, has turned out to be a failure. The government of which he is a part stands condemned.

Ms CARBINES (Geelong) — I am very pleased to speak on behalf of the government this morning against the motion The Nationals have brought before us. I am pleased to have the opportunity to speak about what the government is actually doing to tackle the biggest issue confronting our state — that is, the sustained drought that has been going on for approaching a decade in Victoria.

We all know that this drought has been a hard time for Victorians. When I was first appointed as Parliamentary Secretary for Environment nearly four years ago farmers used to tell me that this was the worst drought in the last 10 years. Later they told me it was the worst drought in their living memory. Now farmers are saying it is the worst drought in the history of white settlement in Victoria. There is no doubt that Victoria is seeing the first ravages of climate change, as indeed is the rest of Australia. Last year was the hottest year on record globally, and the five years preceding that were the hottest years ever. The global climate is certainly changing, and the government has to tackle that issue across the state. At the moment we are debating a bill about renewable energy.

We have been working incredibly hard to tackle water issues across the state. The CSIRO predicts that there will be about an 8 per cent loss in stream flows by 2020, which is very alarming, and up to a 20 per cent loss by 2050. We know that the way we have managed our water resources historically in our state is unsustainable. We commenced a process three years ago — the Our Water Our Future consultation process — to critically examine how we managed water in this state and to put proposals to the Victorian community as to how it could be managed more sustainably into the future. We wanted to engage in a conversation with Victorians to encourage them to believe and know that they have a role to play in water conservation no matter where they live or work.

We released a green paper — a discussion paper — and received more than 600 submissions in response. We held public forums around the state at which we engaged with all stakeholders and consumers — irrigators, farmers, domestic consumers, industry, and specifically people from the water industry. We engaged with all of them and asked them what their views were on water, because we knew that if we were to tackle this very hard issue of water conservation and the management of our resources more sustainably we

had to take Victorians with us on the journey. We had to work with them, take them with us, to lead to a more sustainable outcome.

This culminated in the release of Our Water Our Future some two years ago, the Bracks government's vision to secure Victoria's water supplies for the next 50 years. The huge consultative process bore fruit, because we have had incredible support for our vision from irrigators, from environment groups, from the Victorian Farmers Federation, from catchment management authorities, from water authorities, from the industry and from the Victorian community in general. I consider the way in which the government has tackled this critical environmental issue for our state to be the hallmark of its second term in government.

I would like to take the house through some of the key initiatives that are part of the government's vision. We have established for the first time an environmental reserve for rivers ensuring that rivers have rights to have water flowing in them. This is a challenging concept for some people in this chamber who historically have seen rivers purely for their own purpose and extractive rights. We have made sure that water authorities are in public hands. We know that the previous coalition government was going to sell off water authorities, privatise them, just as it did electricity and gas. We have ensured that water authorities are retained in public hands.

Our blueprint also contains the outlines for the commencement of a process to establish regional water strategies. Those consultation processes are under way at the moment. I know that the region in which I live, the central region, has had a consultative process undertaken by the water authorities and by the government to determine the central region water strategy. We are looking forward to the outcome of that process.

We have established the nation's first permanent water conservation measures, an idea that started in my home town of Geelong where people, after being on water restrictions for four years, had come to believe they could do more to conserve water. Geelong had the first permanent water conservation measures put in place. Those measures have now been rolled out across the state. Victorians have taken those up very well and consider them to be sensible. Geelong has already saved 5 per cent of supply through water conservation measures in relation to water consumption in the state.

We have an aim of reducing Melbourne's drinking water consumption by 15 per cent by 2010. We also aim to recycle 20 per cent of Melbourne's wastewater

by 2010. We have already increased that to 12 per cent since we have been in government. When we came to government the recycling of wastewater was 2 per cent. Last time the coalition was in charge recycling stood at 2 per cent in Melbourne — it is now at 12 per cent. We are also working to improve the efficiency of our irrigation systems and want to increase their efficiency by 25 per cent by 2020.

We are looking at and working carefully with catchment management authorities to improve the health of our rivers. A quarter of the state's rivers are in poor health.

Hon. David Koch interjected.

Ms CARBINES — I thank Mr Koch for his interjection, because that displays his ignorance. I am disappointed in someone who used to be a member of a catchment management authority not seeming to understand the link between the health of rivers and the health of the catchment and how they are inextricably linked. I thought he would have understood that better than he has just displayed by his comments.

We are working with all Victorians to change not only the way they think about water but the way they use it. We have introduced a rising block tariff in the payment for water so that people who use more water pay for it. This has been predicated on a model based on the average family's consumption of water. That is another way in which the government is tackling water consumption across the state.

We heard Mr Baxter talk about a so-called secret tax on water authorities. The levy on water authorities, which was debated and passed by this chamber — some \$225 million — is invested back into the health of our rivers.

Last year I visited the Goulburn Broken Catchment Management Authority with Stephen Mills and Bill O'Kane, and announced that \$1 million would be provided to improve the health of the Goulburn and Broken rivers. That came directly as a result of that levy. The money is being spent across Victoria.

We have introduced rebates for water efficient appliances. Mr Baxter pooh-poohed the idea of the shower roses that was announced this week. We will be supplying 180 000 AAA shower roses across Victoria which will save up to 2 billion litres of water every year. Victorians are ready to embrace that sensible idea of having water efficient appliances in their homes.

Last year I was out with staff from Barwon Water in Geelong asking people to return their old nozzles from

their hoses in exchange for a water efficient trigger nozzle. We had a queue a mile long. People were very happy to exchange their inefficient hose nozzles for efficient trigger nozzles. I am firmly convinced that all Victorians want to play their part. We know from the uptake of the rebate system that we have supplied 130 000 rebates so far. It is a fantastic outcome.

We have set up the Victorian Water Trust — I understand that a former member of The Nationals is on that trust — which has some \$320 million-worth of funding to invest in water saving projects across the state. It is doing an absolutely fantastic job.

We need to look no further than the Wimmera–Mallee pipeline to see Bracks government investment reaping rewards for country Victoria. The Wimmera–Mallee pipeline will replace 16 000 kilometres of open channels with 9000 kilometres of pipes which will save 93 000 megalitres of water every year. The Bracks government was the first government to have money on the table for this project. The federal government, the mates of the opposition and The Nationals, had to be dragged kicking and screaming to the table to provide funding for this project. Only two weeks ago I was in Horsham at the opening of the Wimmera–Mallee pipeline office, which is the community information point for farmers and people who are interested in accessing water through the Wimmera–Mallee pipeline.

We are already implementing recycling schemes across the state, such as the eastern irrigation scheme, which recycles 5 billion litres of water, and the Werribee recycling scheme, which also recycles 5 billion litres of water every year. We are examining a proposal to pipe to Gippsland all of the water that is currently put out to sea at Gunnamatta. The proposal is to pipe that water to Gippsland for use in the electricity generation industry, replacing drinking water which is currently used in the electricity generation industry with recycled water. Yet The Nationals have been reported in the press this morning as condemning the government's sensible proposal to replace drinking water that is used in industry with recycled water. You have to ask: where is the consistency? This project would take Melbourne's recycling rate up to over 40 per cent.

This morning we heard Mr Baxter condemning the minister over the return of flows to the Snowy River, yet we know that Victorians wholeheartedly support the government's commitment and the work that has been done to return those flows to our icon river.

We heard Mr Baxter talk about the decommissioning of Lake Mokoan. This is again an example of the inconsistent, flip-flop approach of The Nationals to

water conservation in Victoria. Lake Mokoan is a man-made lake and is highly inefficient. More water evaporates from the surface of Lake Mokoan in one year than the city of Shepparton consumes in five years. Some 50 000 megalitres of water is wasted every year. It is indefensible. from Lake Mokoan costs Goulburn-Murray Water some \$600 000 a year to maintain. If it were not to be decommissioned, it would need another \$20 million spent on it to meet safety regulations. It is a very inefficient drain on a natural resource and the economy of the Goulburn-Murray region. The Nationals want to retain it! In some silly attempt to play a political game locally The Nationals reckon it is defensible to keep it. They are criticising the government for not doing enough about water conservation, yet they want to retain Lake Mokoan, from which some 50 000 megalitres of water evaporate every year.

We are going to reinstate the Winton Wetlands, for which some 40 000 megalitres of water will be saved per year. It will go to improve the health of local rivers like the Goulburn and Broken rivers as well as the Snowy and Murray rivers. It is a fabulous project and a demonstration of the government taking on and making a difficult decision. It has been difficult locally, but it has been made in an effort to attempt to conserve water for all Victorians.

The Liberals and The Nationals talk about building new dams. We heard Mr Baxter talk about that this morning. They think the answer is a new dam. A new dam would not make it rain any more. In the last few weeks a series of articles have been published in my local paper, the *Geelong Advertiser*, covering a tour of dams across Victoria. Just about every dam is well below storage capacity. Some in the Wimmera are down to about 6 per cent capacity. Building a new dam is not going to increase the water supply at all; it will not make it rain any more. Unfortunately, it would significantly ruin our natural environment and of course damage one of our rivers.

The Nationals have proposed a ridiculous policy. Unfortunately, the Liberal Party also supports that policy. In recent days the Leader of the Opposition in the other place, Mr Baillieu, has been talking about building a dam on the Maribyrnong River. That is a very expensive proposal; it would cost some \$80 million and would save about 2 billion litres of water for Melbourne. That is about the same amount of water that we are going to be saving through the use of more efficient shower heads, which will cost about \$6 million. There is no consistency in the argument and no real understanding of how to manage our water resources efficiently and sustainably.

We have upgraded the Eildon Dam wall, which again is a very important project for people in the Goulburn-Murray region; some \$26 million has been invested by the Bracks government. We have invested over \$50 million to improve irrigation and farm water efficiency across the state. We have done this by providing automated channel control and infrastructure upgrades.

We are very pleased to see that Melburnians are playing their part; we are consuming some 22 per cent less water than in the 1990s. Everybody in this state is doing their bit. It is not a matter of pitting one town against another and saying the needs of one town are greater than another. We are all in this together, and everybody is playing their part.

I was very pleased that just last week the Premier announced he was setting up a ministerial task force on drought. In the past ministerial task forces have been appointed in emergency situations, such as bushfires. I am pleased the Premier is taking a proactive stance on this issue. I know the announcement has been very warmly received by some of the most drought-affected communities across the state. Joining the Premier will be Mr Brumby, the Treasurer and Minister for State and Regional Development, Mr Thwaites, the Minister for Environment and Minister for Water in the other place, Mr Cameron, the Minister for Agriculture in the other place, and Ms Garbutt, the Minister for Community Services in the other place. These key ministers for our government will work closely with drought-affected communities and their municipalities to implement projects which will address the severe impacts that are already being felt by the lack of water across our state.

We announced in a white paper some two years ago that we would be progressing regional water strategies. The central region water strategy is a good example of that. It is an attempt to show that the water future of all of us is inextricably linked; no one town's water should be seen in isolation. The drought is very severe and there is no let-up in sight. In fact next year's predictions are for weather that is virtually the same as this year. We cannot look forward to increased rainfall next year. We are actually showing a worsening pattern.

The Bracks government has led a huge consultative process to establish a strategy to secure water supplies for Melbourne and our regional cities of Ballarat, Bendigo and Geelong. We know that climate change is putting further pressure on our supplies. If we do nothing to address this issue, we are going to run out of supplies in some of these regional towns within the next 10 years. It is a critical situation and the government is obliged on behalf of all Victorians to implement a strategy to address it. Ballarat faces a shortfall of more

than 7 billion litres by 2030. Bendigo is in its eighth year of drought; it has had water restrictions since 2002. Geelong is about to go to stage 2 water restrictions. We have been at stage 1 since mid-year and on Saturday we start on stage 2, which means no watering of any lawns. Our storage capacity is hovering around 25 per cent, so it is a critical situation.

The Bracks government has already announced plans to connect Bendigo to the Goulburn system, for which \$30 million was allocated in this year's budget. It will provide greater reliability for the Bendigo system, by providing some 20 000 megalitres per annum. That announcement in May was extremely well received by Bendigo residents. I understand that even the Honourable Damian Drum thought it was fantastic for Bendigo.

The Goulburn system is by far Victoria's biggest water system, with an annual entitlement of 1000 gigalitres. The government is looking at taking 20 000 megalitres for Bendigo and a further 18 000 megalitres for Ballarat. The government's proposal is to fund a super pipeline connecting the Goulburn system with Lake Eppalock. It will service Bendigo via a connection with the Waranga channel. As I said, it will provide up to 20 000 megalitres of water to Bendigo every year and it will provide certainty and the opportunity for further economic growth. As I have also said, the proposal is widely supported in Bendigo.

The proposal has also opened up another opportunity for consideration — that is, the proposal to connect Ballarat to the Goulburn system as well. That is the topic of criticism this morning by some members of the opposition. The proposal is to pipe to Ballarat some 18 000 megalitres of water from the Goulburn system. Members must remember that the Goulburn system has 1000 gigalitres in it and that the government is looking at taking out 38 000 megalitres, which equates to less than 2 per cent of the annual entitlement. That would give certainty to the cities of Ballarat and Bendigo, which the opposition parties are clearly ready to abandon. The water will be purchased from willing sellers on the open market or it will be sourced through investing in reducing losses in the Goulburn system and transferring the savings. No irrigation water will be given to Ballarat or Bendigo and there will be no cost to irrigators.

This proposal is of course exciting and different. It is giving members of the opposition what they think is an opportunity to increase their political fortunes. They are running around with a scare campaign in the Goulburn Valley, trying to somehow beat up some concern against the government's proposal. As I will explain

later in my contribution, they have no form because when members look at what members of the opposition are proposing they see that there is no consistency and that some of the schemes are actually quite harebrained — and I will turn to one of those now.

Mr Drum is a person I actually really like. He is at least having a go, but I have to tell him it is a misguided go. Mr Drum has a proposal to build a storage dam of 1500 to 2000 megalitres to capture stormwater from Bendigo, then pipe it, recycle it and put into the Spring Gully Reservoir. Coliban Water, which is the authority in his area, estimates that this proposal would cost about \$100 million in capital expenditure — just to set it up — and there would be ongoing operational costs on top of that. Coliban Water advised the government that they have no land available on which to build the storage dam that Mr Drum is proposing. The size of the land to contain that dam would need to be at least 50 hectares and Coliban Water would need to acquire the land to build the dam on.

The problems do not end there. The proposal is predicated on sufficient rainfall to generate the stormwater. Bendigo has been on water restrictions since 2002 and it is in its eighth year of drought. You do not need to be Einstein to know that no rain means no stormwater. That poses a significant problem for Mr Drum's proposal. I do not know whether Mr Drum has thought about the fact that the area is a capped surface water catchment. If, in some unlikely scenario, there was enough stormwater, Coliban Water would need to purchase water to match the capture and storage of the stormwater which otherwise flows into the rivers and into farm dams. So there is another catch in that proposal.

Mr Drum gets 2 out of 10 for having a go. It is good to see that at least he is trying. But it is a misguided attempt and unfortunately it will not address Bendigo's problems. As I said, Mr Drum wants to capture stormwater, recycle it — bring it up to potable water — and put it into Bendigo's water system. He wants Bendigo residents to be drinking it. I am sure that is news to Bendigo residents. I am not sure that they are aware that Mr Drum is intending to have them drink recycled stormwater. As I said, Mr Drum is having a go, but both the Department of Sustainability and Environment and Coliban Water do not think that the proposal has sufficient merit to warrant further investigation. Coliban Water regards the proposal as very costly and extremely complex to implement. It is simply not feasible. That is in stark contrast to the government's proposal, which will see the people of Bendigo connected to the Goulburn system, providing 20 000 megalitres of good water every year.

This morning members of The Nationals have been criticising the government's approach. Any examination of the facts does not bear out their claims. Let us look at some of the policies The Nationals are putting forward. What we find is that members of The Nationals — and the Liberal Party as well, surprise, surprise, although I am not surprised — are running around the state, picking out populist policies to suit the particular town that they are in at that particular time. The Nationals want new dams and they are prepared to sacrifice the state's rivers and cause environmental damage in order to build the dams. The dams will not make it rain any more. In fact the majority of the dams and reservoirs that we already have across Victoria are far below capacity, some of them being as low as 6 per cent full.

A political campaign is being run against the government's very sensible proposal to pipe recycled water from the eastern treatment plant for use in the electricity generation industry. Currently that industry uses billions of litres of drinking water. The Nationals say, 'That's okay. That's Gippsland's water, so we should be using it there'. They do not want to use recycled water for the electricity generation industry, yet they want people in Bendigo to drink water recycled from stormwater.

A political campaign is being run in Benalla by Dr Sykes, the member for Benalla in the other place, against the government's decision to decommission Lake Mokoan. Lake Mokoan is the most inefficient man-made lake in Victoria. I have already said that more water evaporates from the surface of Lake Mokoan in one year than the people in the whole city of Shepparton drink in five years. The Nationals say that that is okay because it is The Nationals territory. They are running a populist campaign in an attempt to change the government's mind on Lake Mokoan. The government will not change its mind. A number of years ago we made a decision, which I announced in Benalla, and we are moving towards the decommissioning of Lake Mokoan. We know that is the right thing to do. It will provide water back into the Goulburn and Broken river systems, and also for the Snowy and Murray rivers.

Now we have Mr Drum's ludicrous proposal to capture stormwater in Bendigo — despite the fact it has not rained there for about eight years — store it, recycle it and pipe it into the Spring Gully Reservoir for domestic consumption by the people of Bendigo. According to The Nationals, the people of Bendigo can drink recycled water — stormwater that has been recycled — but in Gippsland the electricity generation industry cannot use recycled water but has to use drinking water.

How ridiculous and inconsistent is that! It displays The Nationals absolute failure to understand the management of water resources and what needs to be done to address the critical issue of drought in our state. The government has been working on this issue for all of this term. In fact we outlined it as a key issue confronting our state when we went to the people in 2002.

On top of that The Nationals criticised the government this morning. They said it is not spending enough money on water infrastructure projects. We will be spending — investing — over \$1 billion a year for the next three years on water projects and services. Mr Baxter made some comments this morning about the dividends returned to government from water authorities. Last year water authorities paid \$200 million in dividends to the government. We are investing \$1 billion per year — five times as much as we receive in dividends. It is yet another false claim by The Nationals, whom I have to say have become increasingly discredited on water. They run a populist campaign in their electorates for their own political gain across regional Victoria, but any analysis of their policies across the state highlights the inconsistencies of these policies. In Gippsland they are aghast that recycled water could be used in the electricity generation industry to replace billions of litres of drinking water, yet in Bendigo they propose that Bendigo people drink recycled stormwater. Where is the consistency in that?

Instead of condemning us, The Nationals should be applauding us and saying, 'Good on you, Bracks government, for getting on with the job of addressing this severe issue that is affecting our state. Thank you for working with all of us across Victoria — be it people in Melbourne, Shepparton, the Wimmera or Gippsland — to address this issue'. We care about this issue. We know Victorians care about water and are prepared to play their part. We have had 130 000 people take up rebates, and we have had people embrace permanent water conservation measures across the state — in fact they have called for them. The Nationals are treating Victorians as fools. Our government has placed Victoria at the forefront of water conservation in Australia. We are leading the nation. Instead of condemning the government this morning, The Nationals should be congratulating it for tackling the worst drought in our history — and particularly congratulating the Minister for Water in the other place, Mr Thwaites, for his leadership in this matter. I urge all members to defeat this motion.

Hon. W. A. LOVELL (North Eastern) — I have great pleasure in supporting this motion. We have just

heard 35 minutes of the most incredible spin and drivel from the Bracks government about what it thinks it is doing to address the water crisis in Victoria. It has no idea about the water crisis. In our contributions we will highlight that it has no idea what it is doing about water.

At the outset I advise the house that the Liberal Party will be giving 5 minutes of its time to Ms Hadden so that she can contribute to this debate.

I congratulate the mover of the motion for bringing it before the house. There is only one problem with the motion: it talks about the \$1.6 billion the government has extracted from water authorities, but that figure does not include the 2005–06 figure, which, if it meets the average, will be another \$270 million, taking the total closer to \$1.9 billion. It also does not include the competition payments that this government has received from the federal government that were not reinvested in the water industry. We are probably looking at somewhere in the order of \$2.5 billion to \$3 billion that this government has collected from water authorities and the federal government.

I hope the Honourable Kaye Darveniza and the Minister for Local Government, Ms Broad, who purport to want to represent the new Northern Victoria Region, will also contribute to the debate this morning. If they really have consideration for their future constituents in northern Victoria, I hope they will support the motion.

To give the house an indication of the importance of water to northern Victoria, I advise members that the lever-arch folder I hold contains just a sample of some of the articles on water that have been published in our local papers over the last eight weeks. Most of those pieces of paper have photocopied articles on both sides. It gives an idea of how important water is to northern Victoria that volumes of newspaper articles are written about it every month.

The water crisis is not a new thing; it has existed for many years. For the past seven years the Bracks government has chosen to ignore it. It has failed to implement any real solutions to the water crisis in Victoria. There has been plenty of talk — we have had a green paper and a white paper — but there has been no real action and no real solutions to the water crisis. The drought has been impacting on northern Victoria for a very long time. I often refer to my early months in Parliament as a baptism of fire, because I was elected on 30 November 2002 and by January 2003 the western side of my electorate was suffering the worst drought in 100 years and the eastern side was ablaze with the

worst bushfires since 1939. It certainly was a baptism of fire for a new member of Parliament.

You only have to look at the rainfall figures for the last seven years to realise just how bad it is in northern Victoria — how little rain it is getting and the extent of the water crisis. If you look at Wangaratta you will see it has a median rainfall of 658 millimetres per year and that in only three years of the past eight years it has achieved that median target. Shepparton has a median of 498 millimetres, and it has reached that on only four occasions during the past eight years. Rochester has a median of 453.7 millimetres and on only one occasion has it achieved that. In fact in 2002 its rainfall was only 200 millimetres — less than half its median. Echuca has a median of 427 millimetres, which it has reached on only two occasions in the last eight years, and in 2002 it reached only 189 millimetres. Bendigo has a median of 490.9 millimetres, which it has achieved on three occasions in the last eight years, and in 2002 it received only 272 millimetres of rain. For Kerang the figure is 369 millimetres. In 2002 it received only 175 millimetres and on only two occasions in the last eight years it has achieved its median rainfall. It goes on and on.

No matter where you are talking about in northern Victoria — Mildura, Warracknabeal or elsewhere — the rainfall is well below the average median for the area. That is especially the case for the catchment areas. The Hume Reservoir has an average annual catchment of 702 millimetres. In 2002 it received only 398 and on only four occasions has it received the median. Mansfield, which is in the catchment area for Eildon, has an average of 723.7 millimetres. In the last eight years that was achieved on only three occasions, and in 2002 it received only 463 millimetres. This has led to the situation where this year water allocations for irrigators in northern Victoria are well below irrigators' entitlements.

Irrigators in the Goulburn system started out with an allocation of only 7 per cent of their entitlement. That has recently been boosted to 17 per cent, but that has only been achieved through the reduction of the irrigation season by about six weeks and through about 86 000 megalitres being pumped out of Waranga, which the Bracks government expects the irrigators to pay for at an additional cost of about \$4.5 million. Even though the Goulburn irrigators are getting only 17 per cent of their allocation, they are still required to pay for 100 per cent of their water right. This year irrigators in the Goulburn system will pay about \$35 million in set water fees but receive only 17 per cent. Let us hope they receive more than 17 per cent, but at this stage the

figure is set at 17 per cent of the water they are normally entitled to.

The outlook is even worse on the Campaspe system. Campaspe and Loddon farmers have been given a zero allocation. This year the cost to the Campaspe irrigators will be about \$1.3 million in set fees, and at this stage they will not receive one drop of water. The water entitlement of one irrigator on that system will cost him \$54 000. He already has the bill for \$54 000, which he has to pay Goulburn-Murray Water, but he has been told that he will not get one drop of water. The Campaspe system has been in a bad way for several years now. In the last three years we have seen irrigators receive only 39 per cent of their water, 32 per cent of their water and this year have a zero allocation. You can see that the drought is impacting extremely hard on these areas within the irrigation district and right throughout northern Victoria.

The government has now created additional stress for the farmers through its knee-jerk reaction in announcing that the pipeline from Bendigo will go on to Ballarat. The government is obviously making this up as it goes along. In March the Minister for Agriculture, Minister Cameron, and the Minister for Education Services, Minister Allan, announced with much fanfare that the Waranga West channel would be connected to the Campaspe system. Later the government recognised that would not work, because the plan was to take water down the pipeline to the Campaspe irrigators and take the water for Campaspe irrigators out of Lake Eppalock for Bendigo, but as the Campaspe irrigators have a zero allocation there was no water to take. So the government followed the Liberal's policy in backing the Don Erskine pipeline.

But there is a key difference here. When the Liberal Party announced its policy to build the Erskine pipeline it said that the water which went down that pipeline would come only from savings and efficiencies in the Goulburn system and that there would be an enormous investment by Coliban Water and by governments in infrastructure on the Goulburn system to find water savings to supply Bendigo with water. The government has just said, 'We'll buy the water from willing sellers'. There is no such thing as a willing seller. The willing sellers are people who are currently being sold up by the banks. The Minister for Water said, 'There is always trade between irrigators'. Water that is traded between irrigators goes back into production. The government coming into the market and buying that water for urban supply will distort the market, will cause the cost of water to go up, will take water away from production, will take away the opportunity for

jobs from the Goulburn Valley and will cost our communities greatly.

At the meeting in Bendigo a couple of weeks ago the people of Bendigo were certainly not in the mood to support taking water from irrigators. They supported the pipeline being built to supply water to Bendigo but supported the Liberal proposal of finding it from savings. They booed Bob Cameron when he stood up to speak, and he made an absolute fool of himself at that meeting.

The Bracks government is running a very divisive debate on water. It is pitting communities against each other. It is pitting the Goulburn Valley against Bendigo and Ballarat, and it is pitting Bendigo and Ballarat against each other. The Bracks government plan to take water from the Goulburn Valley to Ballarat does not acknowledge the contribution the Goulburn Valley makes to this state, and that 40 per cent of the exports from Victorian ports are from the dairy industry, much of which comes from the irrigated agricultural areas of the Goulburn Valley. Proposing to take water from the north of the Divide, where water is scarce, and pumping it to the south of the Divide, where there are areas of high rainfall, has always been a no-go zone. The government has also not taken into account the cost of pumping the water such a vast distance and the resultant high level of greenhouse gas emissions and the effect that would have on the environment.

The mayor of Bendigo has been quoted in Shepparton papers as saying that Bendigo will pay top dollar for the water it takes from the Goulburn Valley. But in reality that is not his decision, and the announcement was not even discussed by the council. Coliban Water has come out and criticised that. Gordon McKern said it was irresponsible of the mayor to say that and called it a green policy because it would not be the mayor's decision but Coliban Water's decision as to what it would pay for water out of the Goulburn Valley.

If we have a change of government and a Liberal government is in power, it will not buy any water; water would be provided through savings, and certainly the pipeline to Ballarat would not be built. The Liberal Party has a comprehensive plan that will provide water for Ballarat and for Geelong without the need to tap into the Goulburn system. The government should be looking at our policy, following our lead and providing water from other sources for those two cities.

As I said, this has created a lot of angst in the community in the Goulburn Valley. There is an ad in today's paper from the City of Shepparton headed 'Water Crisis'. It states:

Greater Shepparton, like the rest of the Goulburn Valley is in the grip of a major drought that threatens to devastate our dairy and fruit industries, with a flow-on effect to the transport and commercial sectors.

The council is opposing the Bracks government's plan to build this pipeline. In the notice the council says that it:

... has written to the Minister for Victorian Communities John Thwaites asking him to consider the implications for the Goulburn Valley and look at other options before taking productive irrigation water from the Goulburn Valley farmers to be used on gardens in Ballarat and Bendigo.

I refer to a letter written to me yesterday from Rien Silverstein who is a board member of Fruit Growers Victoria. It is headed 'This fear has to stop' and says:

There are growers in the GV who are very upset about the state government taking the water from the GV and sending it to Ballarat and Bendigo.

I have had personal phone calls from members who are extremely worried about this. They are confused enough that this is possible when we have only 17 per cent water right. What is water right if it can be taken away?

Why should we give away our water when we don't even have it?

That is the key thing; we do not have the water. The minister may have announced that there is plenty of water in the Goulburn system, but when irrigators are only on 17 per cent of their water right it is obvious that there is not plenty of water in the Goulburn system.

The Bracks government has failed to secure water for Victorians, which is one of the most basic of all services that state governments deliver. It is one of the most vital requirements for human survival and production of agriculture, and the Bracks government has demonstrated its incompetence to manage Victoria's water resources and shown complete contempt for its responsibility to the Victorian community by failing to address this crisis.

In closing I invite Ms Darveniza and Minister Broad to cross the floor and vote with the Liberal Party and The Nationals to support this motion and to support the people of northern Victoria.

Hon. D. K. DRUM (North Western) — It gives me great pleasure to rise to support Mr Baxter's motion this morning. There has been an awful lot said this morning and only part of it is true. Unfortunately Ms Carbines has been telling a few porky pies, but she will have to live with that. Effectively I need to rewrite a little bit of history here myself and go back and relay to the house a certain turn of events that has led us to the situation we are currently in.

There has been about 10 years of below average rainfall for the central Victorian region and Bendigo has possibly been worst affected due to the fact that it was built where the gold was and not where the water is. For nearly all of that time the Labor government has done absolutely nothing, and as the drought continued to get worse the Labor government continued to do nothing.

An idea was put up by the Campaspe irrigators that brought the government to thinking about pipelines. The Campaspe irrigators, who are Goulburn-Murray Water customers, said that if a small pipeline could be built to connect the Waranga channel across to the Campaspe Weir, it would be a way to secure its water through the same water authority, Goulburn-Murray Water, but would effectively leave the water that it would otherwise take out of Lake Eppalock for the citizens of Bendigo and for Coliban Water.

On 6 March, with a rush of blood to the head, the government, through its representatives in the other place — the Minister for Agriculture, Mr Cameron, and the Minister for Education Services, Ms Allan — said it would build the pipeline; but it was talking about a different pipeline. We have heard this morning that the government has been working on this for years. It has been working to address this problem for the whole term of this government, and yet less than two months before it came up with its current proposal, it was reported on the front page of the *Bendigo Advertiser* as talking about a totally different proposal.

The Minister for Agriculture, who would not know what agriculture is, was up in Bendigo and said that the government would build an 8 kilometre pipeline which would cost \$20 million and would solve all the problems. He said the government had been working on the proposal for years and that it was the answer to the problem. Mr Cameron said that all those people who were saying the government did not know about water management were all wrong because the government had the answer, which was that it would supply 20 gigalitres to the Campaspe irrigators and would keep in Lake Eppalock the water it would otherwise supply to the Campaspe irrigators from Lake Eppalock, and supply that water to the citizens of Bendigo.

That is Mr Cameron's plan and the plan of the Minister for Water in the other place, Mr Thwaites — to build the small Campaspe Weir pipeline. That was on 6 March and it came with all the usual froth and bubble from this mob about how much work, background research and data had gone into the government formulating this plan which was going to save central Victoria. The ministers describe this plan as the most

significant water development for Bendigo since Lake Eppalock was built — and that was in 1960 — and that this channel would pump 20 megalitres of water to the Rochester irrigators which would mean the Rochester irrigators would no longer have to rely on Eppalock. Coliban Water would then increase its share of the Eppalock water supply. That is the plan the Labor government came up with after doing nothing for a whole term of government, not to mention the previous term of government. It came up with this plan on 6 March and was trumpeting that it would save Bendigo.

On 7 March the Campaspe irrigators were furious because they had not been consulted. Then on 30 March the government suddenly decided it might have to introduce a feasibility study into this plan because it may have rushed into the plan a little bit. That feasibility study went on into May.

In the meantime some of the Minister for Agriculture's statements have been something along the lines of, 'Not one official Nationals spokesperson has ever supported the pipeline and none of them has publicly supported Bendigo's bid for federal funding'. I advise the minister that I wrote a letter to Coliban Water when it was dillydallying around with its feasibility study. My suggestion was that providing we could support the Campaspe irrigators with this project, we should look at building the pipeline from Colbinabbin and putting it into Eppalock directly. If we could then use part of that water to service the Campaspe irrigators, again taking Goulburn water for the Goulburn irrigators, and if Bendigo could then benefit from that project, then so be it.

As it turned out, right throughout May — and this is all documented in newspapers, by the way, where the members for Bendigo East and Bendigo West in the other place like to keep up their appearances — there was a horrendous media campaign against the government calling on it to support the Colbinabbin to Eppalock pipeline. It was only then that Minister Brumby rode into town, realising that ministers Thwaites and Cameron were making a proper mess of things. The Minister for State and Regional Development came in with a cheque book and said 'We are going to build the Colbinabbin pipeline'. It was admitted to us later on a number of occasions that the only reason Minister Brumby rode into town to make such a significant announcement was the pressure that had been applied to him by the media and by the opposition parties.

Again we had the government talking about its ability to plan things properly. The government arranged for

consultancy group GHD to do a three-month inquiry into the feasibility of these pipelines. It let that feasibility study get halfway through, and then Minister Brumby came in and said 'We have made a decision. We are going to back the Colbinabbin option'. The report that GHD put out mentioned that there were three options that deserve merit.

In the course of the period from early March through to late May, as we have found out, the government and the Minister for Agriculture, Bob Cameron, had gone from a position of wanting to build a pipeline that would service the Campaspe irrigators to a situation where they were saying the security of water allocations to the Campaspe irrigation district was not even a part of the original terms of reference for the study. The government has changed tack 180 degrees in relation to what it was actually trying to achieve for the people of north-central Victoria. Effectively it now has no concern about the Campaspe irrigators.

In response to another question I put to the Minister for Local Government and the Minister for Water, they said that the economic and social benefits of Bendigo and the entire Heathcote region were not even a part of the original terms of reference for the study. Again, when the government was looking at setting up a study into finding the best way to look after the water needs of Bendigo and central Victoria, it did not even consider the social and economic impacts it would have on the Bendigo or Heathcote regions. That is an example of a government that is simply making things up as it goes along and making policy on the run. Mr Baxter highlighted the fact that the government has said, 'The pipeline looks good for Bendigo. Let's just replicate it and run it out to Ballarat'. That is absolutely staggering.

Labor Party members do not appreciate the dire consequences that their policy is having in Bendigo. While the government is flip-flopping from one project to another, I heard Ms Carbines talking today for the first time ever about securing water for the Colbinabbin pipeline. For the first time ever, this government has started to mention the word 'savings'. Maybe now it is realising it is morally wrong and irresponsible for a government to simply buy water from willing sellers. For every willing seller in the irrigation sector there is also a willing buyer who buys the water on the understanding that the purchase has to be economically feasible and economically rational. You cannot simply buy water at a rate that is unsustainable.

Everybody acknowledges that if you introduce a water authority that has an urban clientele, you will distort the market. It is not as though we have a whole heap of

willing sellers and no willing purchasers. All that water is allocated and put up for sale, and it is purchased. The water is purchased in an environment where it then turns around and creates wealth and productivity in another area — it might be 10 kilometres or 100 kilometres up the road — and that productivity creates a social environment for another community. The water does not get taken away and put on gardens in a city.

It is irresponsible for Minister Allan to say, 'Now that we have the pipeline plan, Bendigo can start getting itself ready to become an oasis of green gardens again'. That is another opportunity for a good front page story for Jacinta Allan, but in Bendigo we have hundreds of businesses — and, if it does not rain soon, possibly thousands of businesses — that are now facing the prospect of going to the wall. We have the Harcourt apple growers — five-generation families — facing ruin; we have the walnut industry, where some owners are facing million-dollar losses; and we have the vineyards, the hydroponic growers and the car wash industry facing ruin. Only yesterday I was informed that the racing industry is also under extreme doubt. All these issues have to be looked at in relation to this irresponsible management of water. The issue of environmental flows also has to be looked at in this current climate. We are still letting 5 megalitres of water a day go down the Campaspe River to somehow keep up an artificial stream of water, while these businesses are effectively going to the wall with the prospect of receiving zero water allocations.

I want to refer to the comments Ms Carbines made about the stormwater plan I proposed. She has obviously not been kept up to date, because our initial proposal has been improved and we have made changes to it because of the liaison we have had with Coliban Water. Ms Carbines said the stormwater plan will not work because you cannot make it rain. I agree you cannot make it rain; however, I introduced this plan on 14 July, and on 15 July and 16 July it rained. Over those two days, the water that flowed into our traditional storages was about 200 megalitres — 100 megalitres flowed into the Upper Coliban and 100 megalitres flowed into the storages at Eppalock. We had nearly 600 megalitres flow down the Bendigo Creek to an area that was potentially not going to be used.

People can say, 'You cannot make it rain' — and you cannot — but if we are going to take a very general view of the future of rainfall and say that rainfall is going to be diminished, then surely we have to look at putting our storages where we can actually capture the rain that does fall. Our ability to capture water in our

traditional storages may also be diminished. As a rule of thumb, we catch about 15 per cent of the water that falls in our paddocks, our hills and our valleys. About 15 per cent of that water finds its way into our storages. However, we capture about 90 per cent of the water that falls on our cities. We have an ability to do that, so what are we doing with major provincial cities and places like Werribee and Pakenham, which are growing at an inordinate rate? We are creating all these new catchments, effectively, by constructing tin roofs, tiled roofs and bitumen roads. We have the ability to catch water there.

If we have a plan to catch water into the future, why is the Minister for Agriculture doing his utmost to discredit the plan rather than coming on board and saying, 'I have some issues with your plan. We cannot do this and we cannot do that, but you can work through it with us'? The Minister for Water, John Thwaites, will not even give the plan a hearing — he does not even want to have a meeting. I was begging the bloke! I was saying, 'Have a look at this. Here is an opportunity you might be interested in to catch stormwater'. He said, 'Catching stormwater — we are already doing that. We just spent \$5 million catching 9 megalitres at the Melbourne Zoo. We are going to catch 9 megalitres every year'. It was unbelievable! I said, 'That is enormous — 9 megalitres! We are talking about catching 10 000 to 15 000 megalitres'. He said, 'We would rather spend \$500 000 a megalitre at the Melbourne Zoo, because it is sexy. We can tell all the visitors who come to Melbourne that we catch our own stormwater, that we treat it and pump it back in, and that all the elephants and all the hippos love it'.

Seriously, this government has lost its way. This government is too concerned about spin to even acknowledge that there is merit in the plan. If you are going to catch stormwater, of course there are issues. There are issues with turbidity, with trying to treat the water again, with transporting it back to the catchments and with finding a site to catch it. There is a whole range of issues, but if this government is going to continue to thumb its nose at any plan that does not happen to have its imprimatur stamped all over it, then it is going to continue to force companies, industries and families to go to the wall in an environment of which the government has absolutely no understanding and for which it has no compassion. This government will be condemned in history for doing nothing while Victoria went through its worst drought of all time.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to contribute to this important debate, and of course, I rise to speak against the motion put forward by The Nationals. Mr Drum's proposal has been looked

at very carefully and along with my parliamentary colleague Ms Carbines I congratulate Mr Drum for giving it a go and putting forward a proposal, which is more than the Liberal Party has done.

However, we have looked at Mr Drum's proposal and it just does not fly. It is not just the government that says it does not fly, and I am happy to go through the reasons why it does not fly. But in kicking off I say that neither the department nor Coliban Water regard the proposal as having sufficient merit to warrant further investigation. Coliban Water has the experts who have looked at the proposal and they do not think it warrants any further investigation. Mr Drum can come in here and thump his chest and say how he has begged for and demanded meetings with this person and that person, but the reality is that those people who are responsible for looking at this issue and looking at the details of this proposal say that it does not fly; it is not up to scratch and does not warrant further investigation.

I understand the department also believes that it would be a very costly and extremely complex project to implement. The project proposed by Mr Drum is estimated to cost closer to \$100 million than the \$30 million he suggested. I know Ms Carbines has run through some of the detail but I will run through it again given I want to respond to Mr Drum who was the speaker who immediately preceded me.

In relation to reliability and given the current drought conditions in Bendigo, investing \$100 million in a project that relies on sufficient local rainfall to generate stormwater would be a very risky proposition, and I believe it would be irresponsible. You cannot get stormwater if it is not raining, and those of us who live and spend a lot of time working in that region in particular know how dry and devastating the drought is. We know the impact it is having on our rural and regional communities, and we know — as does Mr Drum given he lives in the Bendigo area — that they are running out of water. That is why we have come up with the proposition to build the pipeline to guarantee water supply to Bendigo. I will not go into the ins and outs of the project because Ms Carbines very adequately ran through the details of how that project would work, and I know members who are in the chamber and participating in this debate understand exactly what the project entails.

Land and storage is another issue of concern in relation to Mr Drum's proposal as it involves building a storage dam of between 1500 and 2000 megalitres in Huntly to capture the stormwater from Bendigo and then pipe and pump it to the Spring Gully Reservoir. Coliban Water does not have land available at the moment to construct

such a storage facility, and buying the land would obviously be a very significant additional cost. It is estimated that the construction of a 3-metre deep, 1500-megalitre storage facility would require an area of land — and I think Ms Carbines might have run through this — of at least 50 acres, and the proposal is premised on the storage being constructed on land owned by Coliban Water at Epsom. Coliban Water does not have any land available for such use and would have to acquire land for the proposed storage. So there are very significant issues just in the practical application of the proposal.

The proposal is reliant on assets which are already fully committed for irrigation purposes. Harvesting of stormwater would normally occur in spring and autumn. Harvested stormwater would have to be pumped upstream for storage and then transferred to Lake Eppalock via the Eppalock–Bendigo pipeline. Under normal conditions the pipeline is in use supplying irrigation water. There are considerable issues in relation to how you would physically put Mr Drum's proposal into action. The stormwater flowing from an urban catchment would require further treatment to bring it up to a potable standard before being accepted into the current system, which is also used for urban water supply. We have real difficulty in accepting this flawed proposal and, as I have already said, it is one that has been deemed not to warrant further investigation. There are impacts for downstream water supplies and high levels of treatment would have to be given to the water before it goes anywhere near a main storage.

I understand why The Nationals have been keen to develop a proposal. It is all about politics. Members of The Nationals are trying desperately hard to differentiate themselves from the Liberal Party. For political purposes they need to be seen in the electorates as being different from the Liberal Party. They have been crucified at the polls in previous elections because of their coalition with the Liberal Party which gave them nothing; in fact it tore services out of rural and regional Victoria. The Nationals sat back and allowed that to happen under the previous government. It is desperate to badge itself as being different from the Liberal Party and I can appreciate that. But this proposal is about politics; it is not about coming up with something that members of The Nationals really believe works — —

Hon. W. R. Baxter interjected.

Hon. KAYE DARVENIZA — Your proposal. Water is not politics; it is a real issue. We have a drought and we have desperate — —

The ACTING PRESIDENT (Mr Smith) — Order! Mr Darveniza should address her comments through the Chair!

Hon. KAYE DARVENIZA — We have a desperate set of circumstances out there particularly in rural and regional Victoria. Our government — the Bracks Labor government — is coming up with programs and policies that will address some of the immediate as well as the longer term issues. The Liberals are all over the shop. They are again playing politics with this. They go to one region, such as Geelong, where they tell one story, and then they go to Bendigo and tell Bendigo a different story. They are like that. They are all over the shop. I could go into a lot of things that they have said, but I am running out of time and there are other things I want to talk about.

Let us take a look at the dam proposal for the Maribyrnong River. The dam would only provide something like 2000 million litres of extra drinking water, which is less than 0.5 per cent of Melbourne's current annual bulk water consumption. There would also be significant economic, environmental and social impacts such as the flooding of surrounding land, which includes farms and a national park. The impacts would also include a reduction in the environmental flows as well as the creation of all sorts of barriers to fish and other wildlife. We absolutely reject that option.

The Liberals are trying desperately to be all things to all people. They have even criticised the AAA shower head distribution program, which will save something like 2 billion litres of water per year at a cost of \$6.5 million. The Liberals proposal to dam the Maribyrnong River would in a good year provide about the same amount of dam water at a cost of \$80 million, on top of the environmental damage. Their policies are all over the shop.

I want to say something about the drought task force that has been set up, but before I do that I want to talk about the projects and money that the government has committed to the Goulburn–Broken environmental project. There has been a lot of talk about irrigation in contributions made in this debate, so I want to talk a little bit about that. There has been \$6 million put into sustainable irrigation projects as part of the government's \$13.9 million environmental package, which has been just approved for the Goulburn–Broken region for 2006–07. These are well-established, ongoing projects, and they are all about working on successful partnerships with land-holders. They are about installing better drainage, water reuse and more efficient irrigation, which will both benefit the environment and protect the region's farms.

Some of the project funding includes \$6.4 million for sustainable irrigation, \$3.9 million for river health, \$1 million to combat weed and pest animals, \$650 000 for land management, \$520 000 for second-generation Landcare and \$230 000 for native vegetation.

Hon. W. R. Baxter — So what? Get to the motion!

Hon. KAYE DARVENIZA — Mr Baxter said, 'So what?'. The answer is that we are supporting irrigators. We have put an enormous amount of money into supporting our irrigation system. There is more work to be done; there are more challenges there —

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

Hon. J. A. VOGELS (Western) — I have listened to the rubbish coming from the other side for nearly 2 hours. Interestingly, after the adjournment debate last night I went home and happened to turn on the tellie. The time was 10.35 p.m., and the program being shown was called *Penn & Teller: BS*. It was about environmental hysteria, and that is exactly what I am hearing come over from the other side this morning. The guys in the program went to an environmental rally and got thousands of signatures on a petition to ban H₂O. The petition said, 'Would you like to see H₂O banned? It is in the food chain. It permeates everything we use every day. Animals are affected as well as trees and plants. They are all affected'. They got thousands of people to sign this petition to ban H₂O. As we all know, H₂O is water. It is actually pure water, yet these stupid people, these environmentalists, were happy to sign because somebody told them H₂O was bad for them. I know Ms Carbine is very passionate about her environmental credentials, but passion does not and should not replace commonsense. Sensationalism always grabs headlines, but commonsense is usually not a good news story.

Commonsense is what we are lacking in our water debate today. I would like to talk about my region, which is western Victoria. The Honourable Wendy Lovell spoke well about the north of the Divide, but I live south of the Divide. There was an old saying many years ago that the rain in Spain falls mainly on the plain. Well, the rain in Victoria falls mainly south of the Divide, and one of the icons we look up to is the Snowy Mountains hydro-electric scheme. Our forefathers, in their wisdom, decided to turn water that fell south of the Divide inland, and this government is talking about taking that water, after it has flowed down our rivers, and pumping it back over the Divide to Ballarat and then on to Geelong into the future. That is absolute and utter madness. Hopefully it will never happen because

with a bit of luck the Liberal Party will be in power after the election.

Today I would like to talk about the Newlingbrook aquifer. We all know it exists, but no-one is supposed to know about it. It has been kept a dark secret, and I do not know why. I have extracts of information on the Newlingbrook aquifer from the Department of Sustainability and Environment document *State Water Report 2003–2004 — A Statement of Victorian Water Resources*. There is a map of the Otway Coast Basin on page 248 of that document, and Newlingbrook is the area covering the mid to lower parts of the Gellibrand River, flowing towards Bass Strait. It is endorsed by the ground water management authorities.

Total ground water for the Otway Coast Basin is not available. However, the Newlingbrook information on page 252 indicates that 75 000 megalitres per year of permissible annual volume (PAV) could be taken out of this aquifer without affecting it. It also says that in the Otways we have total surface water of 892 680 megalitres available. At the moment we are taking 3 per cent of that. That 3 per cent is basically going to where the Newlingbrook aquifer has been plumbed into Timboon, Peterborough and Port Campbell, and I think there is an irrigating licence on it. But there is still 75 000 megalitres available.

I am not making these figures up — they are the department's own figures. Under the heading 'Ground water resources' there is a table that indicates that you can take 74 970 megalitres PAV from the Newlingbrook ground water management area. That is more than double Geelong's annual water needs just in this one aquifer.

What makes me very angry is that this aquifer is sitting about 20 kilometres from the West Barwon Dam, which supplies Geelong. All the infrastructure from the West Barwon Dam is already in place, as it provides Geelong with nearly all of its water supply, yet 20 kilometres away this aquifer is pouring water into the Southern Ocean. I could understand if this were an enclosed aquifer, and therefore as you took water out of it the aquifer would diminish over time — we would then have to be careful not to waste it — but this aquifer feeds springs into the Southern Ocean continually and, as I said, its PAV is 75 000 megalitres without affecting anything. It would still be flowing into the bottom of the ocean!

The local fishermen in that area say that if you are sitting over one of these springs in the Southern Ocean, 3 miles out to sea, you can dip a glass into the sea and drink pure fresh drinking water. That is how much

water is coming up out of this aquifer. Why, after seven years in office, has this Labor government done absolutely nothing about this? It has obviously undertaken the investigations because the figures are there, so why are we not talking about tapping this aquifer?

This could growth-proof Geelong for the next 100 years. The infrastructure already exists over the top of this aquifer, which supplies Warrnambool and most of the Western District, right up as far as Lismore — and Lismore is only 80 kilometres from Ballarat. Instead of talking about taking water from the other side of the Divide, where there is basically none to be taken — the government will rip it off some other people who badly need it — we should use this aquifer water, which is going completely to waste. That is where our water for Geelong, Ballarat and the western region should come from. I find it interesting that Ms Carbines, who lives in Geelong and is supposed to represent Geelong Province, does not even know that it exists and never mentions it. I recently went to Geelong and spoke to people from the Greater Geelong City Council, and they also did not know it existed. Yet Barwon Water knows it is there, and the government's own papers show it is there, so why are we not tapping this resource?

In the past it has always been said it would cost too much money to pump it to the West Barwon Dam because of the Otway Ranges, but in this day and age you just bore through them, and if we cannot do it we can get someone from overseas to do it. If we could do it with the Snowy scheme 50 years ago, we can do it now. It would not be hard to put a tunnel through the Otways so that you do not have to pump water over the top.

There is another use for this water, seeing as it is just going out to sea at the moment and being completely and utterly wasted. The pipelines that feed Warrnambool go right across the top of the aquifer, and I cannot understand why, in the winter months, we do not take some water out of the Newlingbrook aquifer, without exceeding the permissible annual volume, and inject it back into the Nullawarre aquifer as it goes through the dairying country near Warrnambool. Presently the Nullawarre aquifer supports about 106 dairy farming irrigators, and they use about 22 000 megalitres a year to irrigate this area. But they are restricted. No more licences are being given out and no more licences are allowed. We have dairy factories all around this area. The Warrnambool Cheese and Butter Factory, Nestlé, Fonterra and Bonlac are value adding to the dairy product, so there would be very little cost if some of this wasted water was injected into the

Nullawarre aquifer during the winter months when it is not needed in Warrnambool, or anywhere else, to replenish that aquifer at Nullawarre.

When you put these propositions to the government, it is all too hard. I do not think it understands. It is interesting that this afternoon we will be debating another bill concerning power. The thing that has made Victoria the state it is over the years has been an abundance of water and cheap power. They are the two factors that have kept Victoria going. But under this government we are basically out of water, and our power bills are basically —

Ms Romanes — Do you want the government to play God?

Hon. J. A. VOGELS — No, you do not have to play God. You are not listening. I am telling you there is an aquifer called Newlingbrook, which is pouring water into the ocean. Unless you people can see a dam, or stand on top of a mountain and see water, you do not think there is any there. But this aquifer, which has a mountain sitting on top of it, has a dam underneath and it is there for use and should be used by the people of Victoria. As I said before, if it was enclosed and you were diminishing the total water in it every time you used it, I would be wary, but that is not the case. It is just going into the ocean. God has given it to us — let us use it.

In conclusion, the Labor Party — and it is not just me saying this, we all see it — stands condemned, as the headline states in last week's *Weekly Times*. This is because it is going to rob Peter to pay Paul. We obviously know where Paul lives. Paul lives in the Labor-held seats. I have with me a fantastic cartoon by Rule, which explains it all. It shows Mr Bracks and Mr Thwaites, with the poor old farmer in the middle getting bypassed. The pipes are going to the ballot boxes at Ballarat and Bendigo, and the poor old people in the middle are standing there with a look of amazement on their faces.

This should not be the case in reality, but unfortunately people living in those rural areas are represented by Labor members of Parliament. I warn the people of the Western Victoria Region that with an election coming up they will have one from Preston and one from Brunswick, supposedly representing the interests of rural people in western Victoria! Ms Carbines at least lives in Geelong, but even she does not understand the water issues for Geelong.

Hon. P. R. HALL (Gippsland) — When it was the turn of Nationals members to select a topic for today's

discussion there was never any doubt that we would choose water. Not only is water a critical issue today, but it has been the single largest topic raised with me over the years as a representative of the Gippsland region. It has been raised in relation to water restrictions, water quality, ground water, marine water, water storages, environmental flows, wastewater, irrigation allocations, water pricing, floodwater — believe it or not — water licences, drainage and, more recently, fluoridation of water supplies.

The issue of water is raised on a daily basis in my office. It is the single most important topic that I have had to deal with as a member of Parliament. Some believe the crisis is just emerging as Melbourne as recently as only two weeks ago introduced water restrictions. I might add that those restrictions impose precious little inconvenience on people who live in the metropolitan area, unlike the effect on those in country areas who have been subject to water restrictions in some cases for many years on a continual basis throughout summer and winter.

I want to make the point that unlike people who live in a large city like Melbourne, which has major catchments like the Thomson Dam and some others, people in many country communities have very small catchment areas, and some divert directly from local rivers to small holding stations where the water is treated and then reticulated for town use. They do not have the same capacity to store water, and that is why many country communities are often under water restrictions in both summer and winter and need constant replenishing of their small, precious water supplies to maintain reticulated systems. Many people who live outside of Melbourne do not have access to a reticulated system and are required to harvest and collect water by way of tanks and dams.

What galls me and my colleagues in The Nationals is that when the government decided to promote a few of these so-called water saving measures, such as tank rebates et cetera, they were not given to people unless they were on a reticulated system, yet it is the people who live in those communities which need to collect their own water who are hardest hit by dry conditions and need as much encouragement, if not more, than those who rely on reticulated systems to save water and minimise their use of it. The bonuses should have been paid to those people.

I have little time to talk this morning. I will concentrate a little on water harvesting but will deal mainly with water recycling, because in my opinion the government has done little in both of those areas. The single focus on harvesting water in this state has always been taking

it from our natural stream catchment areas. Little prominence has been given to the harvesting of stormwater, for example, except for the comments this morning of my colleague Mr Drum and some comments from the opposition benches. There is absolutely no doubt that the concrete, the bitumen and the tin roofs in our cities and towns provide an excellent opportunity for greater levels of water harvesting, yet we have failed to utilise that resource. There is enormous potential in Melbourne, the biggest city in Victoria, for the collection, storage, treatment and reticulation around the suburbs of stormwater. It is a tremendous opportunity but little has been done in that regard.

I particularly want to talk about recycling, which came to the fore when it was highlighted on the front page of the *Age* this morning. I am sure many members will be aware that the government has a proposal to use recycled water in places in Gippsland and in return extract further fresh water from Gippsland for the Melbourne area. We are talking about 115 billion litres of wastewater each year being transferred from the eastern treatment plant to facilities in Morwell. I turn to talk a little about this issue because the government has been less than honest about the whole proposal. When you look at the period between when it was first announced in 2004 until today you see a change in the whole debate and that in the focus of it and the terminology used the government has taken a somewhat sideways slant on it in many regards. On 23 June 2004 the Minister for Water issued a press release which says:

Mr Thwaites said one of the priority projects to undergo further investigation would be the feasibility of the Gippsland water factory recycling scheme.

...

The key elements of the recycling scheme are:

Recycled water transferred from Melbourne's eastern treatment plant via a 135 kilometre pipeline to the Latrobe Valley;

A new water reclamation plant to treat water sourced from the Latrobe Valley sewerage system;

The treated water would be mixed with recycled water from the eastern treatment plant and supplied to industry in the Latrobe Valley;

This would allow fresh water currently taken from Gippsland rivers for use by industry to be 'freed up' for environmental flows —

as a first priority —

and possibly extra drinking water.

It becomes quite evident who the extra drinking water is for when you look at the further documents.

Later that year, on 28 September, Melbourne Water issued a press release which states:

The Minister for Water, John Thwaites, today launched a major study into the feasibility of a water recycling scheme in Victoria's east which could reduce the effluent outflow near Gunnamatta by 80 per cent.

The press release further states:

This proposal involves piping recycled water from the eastern treatment plant to the Latrobe Valley for industrial and agricultural purposes.

Again the press release from Melbourne Water says:

The proposal involves a new water reclamation plant in Gippsland that would treat water sourced from the Latrobe Valley sewerage system and from the eastern treatment plant for use in industry.

I draw attention to the terms used. If you read that literally it says it will also treat water from the eastern treatment plant for use in the Latrobe Valley.

Events moved on. In April of this year we had the draft for community comment of the sustainable water strategy for the central region. With respect to interconnecting water supply systems, that draft states:

Interconnections do not create more water, but they can provide other benefits such as more flexibility to move water to where and when it is needed, including the environment.

It further says:

The government proposes that water supply systems be progressively interconnected and that water trading be expanded.

At page 57 the draft shows very clearly that the government proposes to not only build a 135 kilometre pipeline linking the eastern treatment plant to the proposed Gippsland water factory in Morwell but also that it is proposed to build a connection between Blue Rock Lake and Tarago Reservoir, both of which are in Gippsland, to Cardinia Reservoir in Melbourne. People in this place would know that Cardinia Reservoir is also a major supply of fresh water for Melbourne. It is evident that what we are seeing is a trade — that is, effluent going to Gippsland and the fresh water coming back to Melbourne. That is what has got up the noses of the people of Gippsland, because it is an environmental problem created by the City of Melbourne which is being transferred to Gippsland.

I turn to an article in the *Weekend Australian* of the 9th and 10th of this month headed 'Sewage swap to reclaim city water'. It states:

A radical water recycling project that will add more than 20 per cent to Melbourne's water supply and largely end the need for restrictions is a step closer.

The *Weekend Australian* can reveal that a \$1 billion state government plan to divert 115 billion litres of wastewater a year from an ocean outfall to the Latrobe Valley has passed a feasibility study.

Later on the article states:

The drinking water now used to cool the generators — about a quarter of the volume of Sydney Harbour — would be retained in Melbourne's water storages.

Melbourne's water storages? Blue Rock Lake and Tarago Reservoir are now being classified as Melbourne water storages. As I said, it is no wonder this project is getting up the noses of people in Gippsland, because we are being absolutely duded again. An article on the front page of today's *Age* makes the same claims. It says:

Fresh water from Gippsland's Blue Rock Dam would be used to secure drinking water supplies in Melbourne, Geelong and possibly Ballarat, according to government planning documents obtained by the *Age*.

The government has been less than truthful in respect of this. We in Gippsland do not mind there being a facility to treat and reuse our own waste. We accept the responsibility that as part of our community we need to look after and care for what we create ourselves. We are happy to do that. In its purest form, if this so-called Gippsland water factory is designed to treat Gippsland waste and reuse Gippsland waste then that is good and well, but we say very clearly that it has become the cornerstone project for a much larger agenda by the state government — that is, to transfer dirty water from Melbourne to Gippsland and take clean water back from Gippsland to Melbourne. We therefore will not have a bar of it.

The last point I want to make is this, and I quote from documentation on the web site of the Gippsland Water Factory:

The facility will treat up to 35 million litres of domestic and industrial wastewater daily. It will produce around 8 million litres of high-quality recycled water each day for use by local industry at the completion of the first stage of the project.

'First stage' rings a bell. What are stages 2, 3 and 4? We do not know. But 35 million litres of water will be coming in daily, from which 8 million litres of high-quality recycled water will be used for industry. What happens to the other 27 million litres of

wastewater a day? Can we not treat that to a level that can be used by industry in the Latrobe Valley? Maybe we cannot. Therefore one asks: what about the 115 billion litres of water that is going to be coming every year from Melbourne's wastewater treatment plants? Are we somehow able to treat that water better than we are able to treat Gippsland water? Are we going to make use of the water coming from Melbourne when we cannot make full use of recycled water in Gippsland?

The whole equation simply does not add up. Something stinks, and it is not just the effluent water that I am talking about. The whole process stinks. The government is on the nose on this issue. It is time it came clean and told the people of Gippsland the truth, because at the moment we are treated as second-class citizens and the region is used as a dumping ground for Melbourne's waste. The people who will pay for this are the members for Morwell and Narracan in the other place at the 25 November election.

Ms ROMANES (Melbourne) — I commend The Nationals for their choice of topic this morning. The future of water is critical to us all and so it is timely that we should engage in debate in this chamber about water. However, I strongly oppose Mr Baxter's motion for a range of reasons.

Firstly, I contend that the government has not mismanaged Victoria's water resources and has not failed to plan ahead for the water needs of this state in the future. Since 1999 the Bracks Labor government has led the nation in water reform by delivering its blueprint *Our Water Our Future*, which outlines the management of Victoria's water resources for the next 50 years. That blueprint, after a long period of consultation through the green and white papers, was supported by farmers and environment groups alike.

Mr Baxter's motion asserts that the government has extracted \$1.6 billion from water authorities by way of dividends, but I have heard in response in debate this morning the assertion that these funds have not been directed to water projects. However, I remind members of the house that the total figure of dividends that is quoted in the motion represents around \$200 million per annum whereas the Bracks Labor government has been spending well over \$1 billion per year on water projects. If I had time, I could begin to run through the many different projects that are under way and proposed in the water sector in the years ahead. But I will concentrate on some other issues.

Our Water Our Future, the blueprint for managing Victoria's water for the next 50 years, has three key

areas of action. The first area is farms; 83 per cent of Victoria's water consumption is for irrigation or stock use. The plan and strategy is for smarter use of irrigation water.

The second action is urban water and to find some smarter ways to use water in our cities and towns. One of the two key strategies is water conservation. The government has seen some success in the water-saving campaigns that have been initiated to the point that Melburnians are now using 20 per cent less water per head than in the 1990s. There are aims to increase that figure markedly in the months and years ahead. A second strategy for using our water in urban areas in a smarter way is recycling. In Melbourne water recycling has risen from 2 per cent to 12 per cent since Labor came to government. The Bracks government has a very clear target and that is to recycle 20 per cent of Melbourne's water by 2010.

Mr Hall said the government has not done enough for recycling. I indicate that a lot has been done and there is a lot to be done. As an example of what has been done, new recycling schemes have included the eastern irrigation and Werribee recycling schemes, both of which are recycling 5 billion litres per annum. Recycled water is being used by market gardens in the Werribee area. Both of those schemes are now operating. There is an investigation, as Mr Hall has indicated, of the eastern treatment plant water recycling proposal, which would increase Melbourne's recycling rate to over 40 per cent if in the end it is seen to be feasible and is implemented.

Before I talk more about the proposal for piping recycled water from the eastern treatment plant to the Latrobe Valley, I want to raise an issue that Mr Drum expressed concern about earlier. He raised the issue of irrigation water being traded from irrigation areas to urban areas and he expressed his concern about that. I would suggest to Mr Drum that this is something he needs to sort out with the Liberal Party.

If after the election there were a coalition of the Liberals and The Nationals, we would not want to see a situation like that under Kennett, where The Nationals were very much the junior partner and were pushed around and their views disregarded. Mr Drum should be reminded that the federal Liberal Party parliamentary secretary for water, Malcolm Turnbull, has said that Melbourne should be able to source water from irrigators. That is a very serious statement that The Nationals need to take up with the Liberal Party. It is only the Bracks government that has ruled out taking water north of the Great Divide for use in Melbourne, because we understand the importance of the irrigation industry in northern Victoria. We need The Nationals to

sort out with their colleagues on that side of the house whether the state Liberals rule this in or out.

Mr Baxter said that we need bold water-saving measures. The government has many and various measures and proposals in train. One is that relating to Gippsland, in which it is proposed to swap grey water for drinking water that is currently being used to cool down the power stations in the Latrobe Valley. It is looking at the 116 billion litres per annum — which is equivalent to 25 per cent of Melbourne's water usage — which is coming out of rivers, principally the Latrobe River, and is used to cool the generators in the Latrobe Valley. The proposal is not to take any water away from Gippsland but to replace that high-class drinking water with class C recycled water from the eastern treatment plant at Carrum. It is not, as Mr Hall claimed, effluent. It would not be effluent but class C recycled water and it would free up the river water for a range of other purposes.

Just this morning on Jon Faine's ABC radio program the Minister for Water outlined the whole range of uses that could take up that river water if it were free. They include uses in Gippsland and Melbourne and in environmental flows for the Gippsland rivers and lakes. That high-quality water could be used across a range of different purposes and the replacement water used for industrial use in the cooling towers. Of course there are issues relating to engineering, costs and reaching agreement with power generators about what level of treatment the recycled water needs to have had to be acceptable for use in cooling the electricity plants. But it has the potential to be a creative and very commonsense solution. I am sure that people throughout Victoria will see the sense of it. It has every element of a win-win situation for the people of Gippsland and the people of Melbourne.

The ACTING PRESIDENT

(Hon. H. E. Buckingham) — Order! The honourable member's time has expired.

Hon. DAVID KOCH (Western) — Victoria is currently facing a water crisis such as has not been seen for decades. We have experienced eight seasons of below-average rainfall with no surface run-off for farms, urban supplies or irrigation storages both above and below the surface. Water supplies are at a critical level in many areas, including provincial cities and rural cities and townships. We are seeing water restrictions at level 4 in Bendigo, level 3 in Ballarat, level 2 in Geelong and many other rural cities, and level 1 in Melbourne. Why Melbourne remains on level 1 is beyond most and many are concerned that it is more about politics with the coming election than about

careful management in these terribly dry times, when storage levels indicate that better strategies should be put in place.

Victorians are now conscious that the management of this finite resource demands greater science than is currently being employed and that indeed with the onset of spring in some cases catchment dams across Victoria may — heaven forbid — dry up. On these grounds alone, Melbourne should have been on level 2 restrictions as from 1 June, and no significant falls are forecast for the spring.

Many areas of the state are now in a perilous position, especially those north of the Great Divide, be it Horsham to the west, Bendigo in central Victoria or towns further east, as no run-off has taken place for more than four years. With the weather forecast for the rest of the spring not indicating weather patterns needed to gain considerable run-off, we are faced with a terrifying position. It is not unreasonable to anticipate that some communities, both large and small, will simply run out of water completely. There is little doubt that major water-carting programs will need to be put in place, but beyond one in the Wimmera starting on 1 October, it would appear that further planning is yet to take place.

Where is the government's leadership in this planning, or are we to see the ad hoc, knee-jerk decisions that have been common in recent weeks, as we limp from water crisis to water crisis? There is no doubt that now we see this government limping from pillar to post as it tries to meet the water challenges confronting many in regional Victoria. Over the past seven years there have been no strategic measures, financial provisions, planning or costing done to put in place things that the affected communities would have reasonably expected to be done to combat these issues.

The Wimmera–Mallee piping program has been fought and challenged at every opportunity, usually with the Bracks government blaming the federal government in one way or another. We have always known that this great infrastructure development was to going to be financially funded by a three-tier process at a cost of \$501 million, shared equally between local beneficiaries and the state and federal governments, all contributing approximately \$167 million each. This is the most significant Victorian water development undertaken in the past 50 to 60 years but it continues to be only stumbling along, due principally to this government not making a priority of it.

The amount of water lost to evaporation and seepage over the past five years alone has been enormous and is

unrecoverable. The savings with the completion of the northern section have been well recognised, but getting the job done in the southern Mallee and the Wimmera has been agonising and drawn out, to say the least. To have expected a rural water authority, the principal charter of which is to administer and deliver water to users, to undertake this mammoth task was hardly reasonable or expedient, as its expertise in this field and in arranging contracts of this magnitude was always going to be limited, irrespective of its willingness to do so.

If the Bracks government were serious about putting this infrastructure in place quickly, it would have put in place a one-off Wimmera–Mallee pipeline construction authority that offered greater expertise, efficiency and technical capacity to undertake the works than we are seeing currently. In recent months concerns have continued to be raised as to when the community will be informed about when the work will begin and what construction schedules, costs and completion dates are proposed.

In contrast to the government, which continues to demonstrate its ignorance of how the water industry works and the importance of water management for regional districts, the opposition has put in place a water policy that defines clear pathways that will benefit regional communities, especially those of Bendigo, Ballarat and Geelong. Our policy will not be to the detriment of other water users and will not burden irrigators with unrealistic expectations over the longer term. The cornerstone of the Liberal's water policy is securing a better water outcome for Bendigo and getting it off the restrictions that have now been in place since 2002 by piping water from the Coliban system.

We will also be drought-proofing and growth-proofing both Geelong and Ballarat for the foreseeable future, by bringing the Newlingrook aquifer, located in the Otways, on stream to service Geelong's needs, which in turn will free up Geelong's share of the Lal Lal Reservoir, which can then be dedicated to Ballarat's needs. Not only is this the most plausible option but it does not take water away from existing users and irrigators, and it is far more affordable and can be developed in a reasonable time frame.

The notion behind last week's crazy government announcement that it would pump water from the Waranga Basin to Ballarat via Lake Eppalock is just dumb. Not only has it rightly outraged irrigators and local government bodies but it is fundamentally flawed and ill-conceived. If water has to be pumped, it should be from the higher rainfall areas in the south to the

lower rainfall areas in the north, not vice versa. For the government to use the taxpayers chequebook to enter the water market and knock over irrigators' water entitlements on the grounds that cockies are willing sellers ignores the fact that many are also willing buyers.

The valuable agricultural industry of the Goulburn Valley, which returns millions of dollars to our state and local economies, seems to have become the fall guy in the most recent of many 'water fix-it' outbursts from the Minister for Water in the other place, Mr Thwaites. The minister has no plans. He continues to limp from pillar to post in the hope that it will rain and the catchments will fill overnight — he is definitely a dreamer.

The *Weekly Times* was correct last week in publicly condemning Minister Thwaites on its front page. I quote from the editorial on page 16, which reinforces and captures the mood of regional Victorians:

Whatever happened to Premier ... Bracks' mantra that he would always listen before his government acted?

During the last state election, it was Steve Bracks who said: 'We will govern for every street, every suburb, every country town in Victoria. We will continue to listen. We will continue to govern for all Victorians'.

Yet Mr Bracks refused to even discuss his government's plan to rob Goulburn irrigators of their water before they threw the Ballarat pipeline plan on the table last week.

The Premier and his water minister, John Thwaites, could not have chosen a worse — more cruel — time to make their announcement.

The Goulburn Valley is facing another summer without water. Irrigators face record low water allocations.

The article goes on to say:

It is obvious that Mr Bracks and Mr Thwaites are drafting policy on the run as they gear up for November's election.

The article closes with this sentence:

It is increasingly evident the Bracks government is only governing for every street, every suburb and every town in Labor-held seats.

The government has had years to fix Victoria's water problems, but, as with so many other issues, it has chosen to sit on its hands and hope it will all go away. I urge the house to support the motion.

Hon. B. W. BISHOP (North Western) — If any of us who live in rural Victoria were asked about the three most important issues in their electorate, they would reply, 'Water, water and then water'. I strongly support

the motion moved by the Honourable Bill Baxter on behalf of The Nationals.

In the very short amount of time I have to contribute to the debate, I will talk about the Wimmera and Mallee areas. The government seems absolutely determined to tip 3000 megalitres of water down the river for environmental flows, while farms and houses in many areas will receive no more water. If the dry weather continues, 2300 rural homes, or thereabouts, will have to have water delivered to them — that will be about 28 000 litres every couple of months. That is a really tough go, and anyone who has lived under those circumstances will understand how difficult it is.

There are things that the government can do. Let us try to be positive about the issue as this difficult time continues. I was sent a paper the other day by Janine Sounness, who is a drought community development officer in the Wimmera. I reckon she has done a great job. It is a great, positive paper, and it puts forward some practical things the government could do. It puts forward a proposed farm WaterSmart rebate scheme. You might ask, 'What for?'. It suggests a 50 per cent rebate for the installation of water tanks for the collection of rainfall or delivered water on farms and a 100 per cent rebate for the installation of Country Fire Authority valve fittings for the rapid collection of water for firefighting purposes. It also looks at the time from which those rebates would be available. The paper's suggestion is that the conditions be a maximum of two per customer and a minimum tank size of 3000 gallons, to use the old terminology. Again, these are practical and sensible suggestions. The paper also points out that farmers could install the pipes and connections for the tanks themselves to keep the costs down.

The benefits of implementing these suggestions would be quite strong. The tanks purchased for this year's delivery of non-potable stock and domestic water would have long-term benefits. When the pipeline was installed water would flow only to tanks and not to dams. The tanks purchased for the collection of rainwater from farmhouses and sheds would capture and secure more of our scarce rainfall.

The report also makes a very strong point about equity. If the government would agree to it, such a scheme would give the rural farming community access to a similar opportunity to that enjoyed by city and rural urban communities, who receive assistance through the WaterSmart gardens and homes rebate scheme. I am talking about people who are paying full tote odds for water, but are likely to have no water for stock and domestic purposes delivered through the channels into

their dams. This proposal is something positive this government could do about this issue.

Thank goodness for the vision and foresight of our federal member for Mallee, John Forrest. He will go down in history as a person who forced the issue along with both state and federal governments to ensure the completion of the Wimmera–Mallee pipeline. I listened to government speakers saying that The Nationals held this up. If The Nationals John Forrest had not been there, this project would not have been accepted and would not be on the books now. I commend him for that.

During the process of trying to get the money up for the pipeline from the state and federal governments, the Bracks government played politics with the whole issue. We should have had that pipeline in place years ago. If we had, we would not be having the debate we are having now with respect to many areas of the Wimmera and Mallee.

Ms HADDEN (Ballarat) — I rise to speak in support of the motion, and I thank the Honourable Bill Baxter for moving it in the house today. I also want to record my thanks to both the Liberal Party and The Nationals for giving up 15 minutes of their valuable time to enable me to speak and make a valuable contribution to the debate on this water motion, given that as an Independent member of this place I have no speaking rights on opposition business on a Wednesday morning, which is a disgraceful state of affairs.

Certainly the Minister for Water, Minister John Thwaites of Albert Park, stands to be condemned. Thank goodness the *Weekly Times* had the courage to publish on the front page of its 6 September edition a photo of the minister looking rather smug, as he usually does in his position as Minister for Water, with an article under the subheading ‘Goulburn irrigators and communities are reeling from another horrendous drought. So what does water minister John Thwaites do? Offer to pipe their water into crucial Labor electorates’. The headline ‘Condemned’ is written across the page, sitting above Mr Thwaites’s not-so-blond hair. Mr Thwaites is the member for Albert Park — —

An honourable member — There is plenty of water there.

Ms HADDEN — There is plenty of water at Albert Park, that is right, and last year the government generously gave \$4 million for the area of Albert Park to be upgraded and beautified. We also need it in country Victoria. There have been 10 years of drought.

Ballarat, the Central Highlands, the Wimmera, the Mallee and regions all around the state are suffering from 10 dry years. Ballarat has been on water restrictions since November 2002, as have some of the other regions. We are used to restrictions. We are now back on stage 3 restrictions, and so we should be. We should have been on stage 3 restrictions a lot earlier this year, but a political decision was made by the ALP member who is also the chairperson of Central Highlands Water Authority, John Barnes. He is a member of the Ballarat East ALP branch. The decisions on water restrictions of Central Highlands Water have nothing to do with the environment or water, they have everything to do with party political decisions. John Barnes, Labor Party member and chairperson of Central Highlands Water Authority, does as he is told but has nothing to do with looking after the environment.

People in my electorate of Ballarat Province are far from happy with this crazy, stupid, nonsensical decision of Minister Thwaites and his Labor government to pipe water from the irrigation districts down into Bendigo and Ballarat. The money is not there; we know it is not there. The budget handed down in May allocated \$30 million to pipe water from the Waranga West channel down to Lake Eppalock for Bendigo, but the proposed project is estimated to cost in excess of \$77 million, and the bright Labor government of Victoria thinks it will go cap in hand to the federal government to top up the difference. I do not think it will be successful there.

The current proposal to pipe water from the Goulburn system up over the Great Dividing Range through to Bendigo and then on to Ballarat is, quite frankly, crazy. It is clueless, does not make sense and is something that I expect only from the latte set, which is the Labor ministry. No-one in their right mind would suggest such a stupid, crazy proposal to divert water, especially when we have had 10 years of drought. Lake Eppalock’s capacity is at about 4 per cent and all those regions are in dire trouble with water. All Minister Thwaites can think of is having hundreds of kilometres of expensive infrastructure and pipeline. How he will get it up over the Great Dividing Range is beyond me. Perhaps he will fly it over, perhaps he will have it suspended by air balloons — goodness knows!

Ballarat is very angry, too, that the minister has created a great division between country communities. That is what is happening now. People are saying to me, ‘Why is this government proposing to pit country communities against Ballarat city?’. Ballarat city can be smarter with its water. There is no money from this government for real reusable systems in Ballarat.

Ballarat is not encouraged to reuse water or have water tanks, and there is discrimination between reticulated and non-reticulated areas of the Central Highlands Water Authority. Those in reticulated areas can apply for a \$150 subsidy for a water tank. Whoopee! It will cost them nearly \$1000 for a planning permit, connection and a plumber, let alone the cost of the tank. People are just not taking that up in Ballarat city itself. You need only look at the new housing estates. You can count the number of water tanks on one hand, if you are lucky. Reuse systems are where we should be going. And the government should be giving subsidies for them — and I mean real reuse systems, with proper filtration systems.

These matters were discussed by the CSIRO two years ago in a paper entitled *The Economics of Water — Taking Full Account of First Use, Reuse and Return to the Environment*. It looked at reuse. It is interesting, because approximately 10 per cent of wastewater is being reused across Australia. The estimates of water reuse at table 1 on page 7 of the paper show for the various regions and states the reuse of water from water utility sewage treatment plants. Victoria is at the bottom of the pile. We reuse just 6.7 per cent. Queensland reuses 11.2 per cent, New South Wales reuses 8.9 per cent, Tasmania reuses 9.5 per cent, South Australia reuses 15.1 per cent and Western Australia reuses 10 per cent, yet Victoria is stuck on 6.7 per cent. That is not good enough. The applications for reuse water include amenity areas, commercial agriculture, forestry, industrial applications and, as I have just mentioned, residential use as part of third-pipe developments. Until this government is serious about encouraging people to put in filtration systems, which cost on average around \$10 000 for a home, including installation and permits, the percentage of reuse in this state will not increase. That is a great shame.

The government should also increase subsidies for water tanks across both reticulated and unreticulated areas. It needs to be serious about it, because at the moment it is not serious. There needs to be great encouragement and a great financial incentive for people to install reuse systems and water tanks. The government has offered 180 000 free shower heads across the state, according to Monday's newspapers. The population of Victoria is just on 5 million, yet Mr Thwaites's great thought for the day was to issue 180 000 Victorian households with a water-saving shower head. I do not know where he got his research from or what studies he did on that, but he is reported in the *Herald Sun* of Monday, 11 September, as having said:

This is one of the cheapest conservation methods and cheaper than water tanks ...

I say shame on Mr Thwaites. He should be putting in place proper subsidies for water tanks across country Victoria, especially in the regional cities, as well as putting substantial subsidies into reuse filtration systems — not water-saving shower roses, which most of us already have in our bathrooms and have had for the past 10 years.

I refer to Lal Lal. The water in Bungal Dam at Lal Lal is Ballarat's water. The government promised it would come back to Ballarat after Geelong got onto the Barwon Downs aquifer. That happened two or three years ago, and that water should have been returned to Ballarat then. It has not been returned because this government is playing party politics and is pandering to the Greens.

As we know, the Newlingbrook aquifer in the Otway Coast Basin has a permissible annual value of just on 75 000 megalitres each and every year, which can be accessed by Barwon Water for watering the towns along the coast and into Geelong. That is available now. It is legal, and it should be accessed immediately. But this government is not interested in doing anything sensible and serious.

What this government did with Cosgrave Reservoir is reprehensible. It stole, in an underhand way, the water from Cosgrave Reservoir at Creswick. It proposes to raise the banks on the reservoir to steal even more water and pump it over the Great Divide into Ballarat's White Swan Reservoir. That will have a great impact on Creswick Creek, it will have a great impact on the Upper Loddon and it will have a great impact on the Loddon–Murray water system. It will also mean that Creswick will be in great danger of being burnt out by a fire. It will also mean the drying up of St George's Lake.

This government has given permission to Central Highlands Water to pump the entire environmental flow into Cosgrave Reservoir, which is 1200 megalitres a year — and that is what it is doing at the moment. It spent approximately \$4.5 million to build two pipelines; one from White Swan out to Cosgrave, and one from Cosgrave back into White Swan, which has just finished. Cosgrave Reservoir was built from taxes paid by the Creswick community in the late 1970s to secure Creswick's growth and to protect the community from fire risk. Now Creswick cannot grow; it is stuck on a 450-megalitre allocation of water a year and things are at crisis point.

Creswick has not forgiven Minister Thwaites; it has not forgiven Central Highlands Water and its Labor-member chairperson, a member of the Ballarat East branch of the Labor Party, John Barnes; and it certainly has not forgotten nor will it ever forgive Geoff Howard, the member for Ballarat East in the other place, because he has been missing in action. But then that is understandable because Mr Howard cannot even vote for himself at Ballarat East because he does not live in his electorate. He is never seen in his electorate, as his ex-wife has announced. He lacks vision and no-one knows what he stands for. But then Mr Howard's ex-wife had the thumbscrews put on her to withdraw from the race. She was well and truly threatened, intimidated and harassed to withdraw, and now he is very smug with himself. Watch this space, is all I can say; watch this space.

As for this proposal to fill this pipeline — I call it a pipedream — I do not know what Minister Thwaites is on but it must be good. It is a cruel, cheap stunt; it is pitting country community against country community. The only person who is supportive of this so-called pipeline pipedream is, as I said, the Labor Party chairperson of Central Highlands Water, John Barnes, who thinks it is a great idea because he has had the thumbscrews put on him and he does not care about the environment. The other person who thinks it is a great idea is the Mayor of the Ballarat City Council who has been charged with the unlawful assault of a community submitter at a planning panel set up by the planning minister. That is what we have got — and Mr Mitchell can sit down, because he is wasting my time.

Hon. R. G. Mitchell — On a point of order, Acting President, the motion is very specific. It would be in the best interests of the house to bring the member back to the motion and encourage her not go off on a tangent.

The ACTING PRESIDENT
(**Hon. H. E. Buckingham**) — Order! Does the member have a reply?

Ms HADDEN — On the point of order, Acting President, there is no point of order. The member is wasting my time and the Chair ought to acknowledge that.

The ACTING PRESIDENT
(**Hon. H. E. Buckingham**) — Order! I ask the member to keep to the content of the motion and continue.

Ms HADDEN — I certainly am; I am talking about Cosgrave Reservoir and Geoff Howard's failure to protect the community from fire and lack of water.

I have been raising the water shortage crisis in my electorate for seven years, but it has fallen on deaf ears with Minister Thwaites, who has cotton wool in his ears. The one thing that the Ballarat community needs is its agricultural district. The Ascot area produces some \$60 million of agriculture and vegetables for use in Victoria and for export. That is under risk at the moment because the Ascot aquifer is over allocated. It was over allocated six years ago, yet Minister Thwaites saw fit to sign a planning permit to allow it to be over allocated by 800 megalitres each and every year to water Clunes when Clunes had access to Newlyn Reservoir. That is what this government also proposes through Central Highlands Water — to pipe all the water from Newlyn Reservoir, which is used for irrigation, up over the Great Dividing Range and into Ballarat, because this government has not put the thumbscrews on Ballarat City Council and Central Highlands Water to come up with innovative reuse and recycle ideas for the city of Ballarat, and subsidies for reuse, for industry and residential areas, and for water tanks, as I earlier alluded to.

What this Labor government proposes to do is to take away country Victoria's valuable resource during the 10th year of drought and force dryland farming. It will force the closure of farm businesses, farm families and small towns. This government ought to hang its head in shame because it does not care, it does not act for all Victorians, it does not listen to all Victorians. The only people it listens to are the city-centric latte set that can sit there thinking up harebrained ideas —

The ACTING PRESIDENT
(**Hon. H. E. Buckingham**) — Order! The member's time has expired.

Hon. W. R. BAXTER (North Eastern) — I am pleased to sum up at the end of this debate. It has been an interesting debate. Members from all sides of the house have acknowledged that water is the crucial issue facing our community at the moment, and it is an issue which all members need to give due attention. To that extent I am somewhat disappointed at the response that we have had from the government today. I am disappointed that the Parliamentary Secretary for Water, Ms Carbines, whilst she was in the house for my remarks, was absent once she had finished her own contribution and has just come back. That is not setting up a very good position. If this is the major issue facing the government and the community, it is extremely disappointing if the Parliamentary Secretary for Water cannot participate fully in the debate. I am also disappointed that other members of the government who represent country Victoria were not a bit more forthcoming in their contributions today.

We heard from Ms Carbines the usual diatribe of attacking the opposition and The Nationals for policies that we might both be espousing. Much of it was quite erroneous, taken out of context or simply not true, and Mr Drum exposed some of that. What I was most disappointed about was that there was no analysis from Ms Carbines of the Ballarat pipeline proposal. There was no justification for it at all in terms of its economics, or what it might do. The justification given by Ms Carbines was that, 'Goulburn Valley has got plenty of water and we are just taking a little bit'; and, 'They have got 1000 gegalitres; we are only taking a tiny bit for Bendigo and we are just taking a little bit more for Ballarat'. We all know where that sort of a theory ends up. We will keep on taking a little bit more and it will keep on going until the Goulburn Valley completely loses critical mass as the great food bowl of Australia. I completely reject that assertion of, 'We're only taking a little bit' as being a sufficient justification for this Ballarat pipeline proposal, because we know what the next step will be — a little bit for Geelong, then a big bit for Melbourne, and on it will go.

Ms Carbines also said, 'But they have 1000 gegalitres. They can afford it'. She did not acknowledge that this year, for example, the current water entitlements are only 17 per cent, so there is nothing like the 1000 gegalitres available in the Goulburn Valley during this season. Ms Carbines cannot have her cake and eat it too. She was criticising The Nationals' policy that we might need to look at a new dam for urban supplies in Melbourne, saying that would not make it rain. Of course it would not make it rain, but on the other hand she wants to assume that Lake Eildon is full of water when it is not — it is down to less than 20 per cent of capacity. She cannot say 'I am just taking a little bit of 1000 gegalitres'; she has to say 'I am taking a fair bit of only 17 per cent'.

Then we had Ms Darveniza's rambling speech. I think everyone in this place would acknowledge that the Ballarat pipeline proposal is the biggest issue in the electorate which Ms Darveniza has been preselected to contest at the next election. Did she mention the biggest issue in her new electorate? No, not once! I believe this issue will bring Ms Darveniza down. Not only is the electorate very annoyed and frustrated that the Labor Party is imposing two city-based candidates on the northern region — Ms Broad and Ms Darveniza, neither of whom has any empathy for country Victoria at all — but now this Ballarat pipeline proposal is being promoted by both those members. Ms Broad is on top of the voting ticket and I suppose she is guaranteed election, but I would not put any money on the re-election of Ms Darveniza. I think this issue will be the cause of her demise.

Mr Drum gave a very cogent response to the criticism by Ms Carbines of his proposal to at least look at the capture of stormwater run-off in Bendigo. I thought it was one of the most brilliant contributions we have heard in rebuttal for some time. Given the comments made by Ms Carbines and Ms Darveniza, Mr Drum's proposal must be really stinging the government. It is good to see that a policy put forward by an opposition member is cutting the government to the bone and causing that sort of reaction, and I commend him for it.

Mr Hall exposed what the government is up to with this so-called water factory in Gippsland. All the hype we have heard has now been completely exposed by what Mr Hall had to say today, and I commend him for that.

It is quite clear, as has been said by other members on this side who spoke during the debate — Ms Lovell, Mr Koch, Mr Vogels and myself — that this government is making it up as it goes along, and it stands condemned for its mismanagement of water in this state.

House divided on motion:

Ayes, 19

Atkinson, Mr	Hadden, Ms
Baxter, Mr	Hall, Mr (<i>Teller</i>)
Bishop, Mr	Koch, Mr
Bowden, Mr	Lovell, Ms
Brideson, Mr	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr	Stoney, Mr
Davis, Mr P. R.	Strong, Mr
Drum, Mr (<i>Teller</i>)	Vogels, Mr
Forwood, Mr	

Noes, 20

Broad, Ms	Mikakos, Ms
Buckingham, Mrs (<i>Teller</i>)	Mitchell, Mr
Carbines, Ms	Nguyen, Mr (<i>Teller</i>)
Darveniza, Ms	Pullen, Mr
Eren, Mr	Romanes, Ms
Hilton, Mr	Scheffer, Mr
Jennings, Mr	Smith, Mr
Lenders, Mr	Theophanous, Mr
McQuilten, Mr	Thomson, Ms
Madden, Mr	Viney, Mr

Pair

Davis, Mr D. McL.	Argondizzo, Ms
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Motion negatived.

Sitting suspended 1.01 p.m. until 2.03 p.m.

Business interrupted pursuant to sessional orders.

DISTINGUISHED VISITORS

The PRESIDENT — Order! Before I call question time, I wish to acknowledge in the chamber the Deputy Speaker of the House of Commons, Sir Alan Hazelhurst, who is visiting us today with his wife, Lady Hazelhurst. Welcome.

QUESTIONS WITHOUT NOTICE

Minerals and petroleum: exploration

Hon. PHILIP DAVIS (Gippsland) — I direct my question without notice to the Minister for Resources. I refer to the Australian Bureau of Statistics data released today on petroleum exploration in Australia for the June quarter, and the fact that oil prices have been hitting record levels over the last year. I therefore ask: is it a fact that investment in petroleum exploration in Victoria in 2005–06 was only \$69.7 million, compared to \$162.5 million in 2004–05, an extraordinary fall in exploration activity over the last year?

Hon. T. C. THEOPHANOUS (Minister for Resources) — The honourable member always comes in here and provides distorted figures for what is actually going on. He knows there is a boom in the resources sector in this state. He knows that when we came to power 4000 people were working in the resources sector and now there are 8500 people working in that sector. That is 4500 extra families in regional Victoria who have a job and are able to contribute. In addition, we have brought on additional supplies of petroleum through the further exploration which has taken place and which has been brought to market from locations out of the Bass Strait, something that was never even dreamed about under the previous government. I look forward to getting a sensible question about the issues surrounding the growth in the resources sector. If I get a sensible question on the growth in the resources sector I will be very happy to answer it.

Supplementary question

Hon. PHILIP DAVIS (Gippsland) — I thank the minister for his invitation, and Perhaps he will share with us some of his expert knowledge as a consequence. I therefore ask: given Victoria's share of petroleum exploration in Australia has crashed from 15.6 per cent to only 5.5 per cent in just one year, what is the minister doing to rescue the industry from this disastrous trend?

Hon. T. C. THEOPHANOUS (Minister for Resources) — I reiterate the point: the member has a

habit of distorting the statistics he brings into the house in order to present a negative image of this sector. Let me inform the member opposite that in fact this sector is booming and providing jobs in regional Victoria. When I get a sensible question about the Australian Bureau of Statistics figures I will be very happy to answer it.

WorkCover: reforms

Mr VINEY (Chelsea) — My question is to the Minister for WorkCover and the TAC. Will the minister advise the house of any recent reforms in WorkCover that will assist employees and employers in Victoria?

Mr LENDERS (Minister for WorkCover and the TAC) — I thank Mr Viney for his question, and for his ongoing interest in how this state can get the balance right between bringing WorkCover premiums down to encourage job growth, but also getting injury rates down and looking after injured workers so we have a good, stable and safe work force. This house passed the Occupational Health and Safety Bill at the end of 2004, and that act has come in in phases, in mid-2005 and mid-2006. It is bringing down injury rates in workplaces.

But above and beyond the legislation I am delighted to inform the house that in collaboration with New South Wales — the two states together form 60 per cent of the Australian economy — and together with my New South Wales colleague John Della Bosca we have announced a series of reforms to streamline and harmonise the significant administrative portions of the two WorkCover administrations. They tackle issues such as common guidance materials for business, common forms for workers compensation claims across jurisdictions, common payment options and sharing advertising campaigns to improve workplace safety. These are but some of the areas. By collaborating with another jurisdiction and by having the two WorkCover authorities and the agents sitting down together, they are areas where we have been able to cut red tape without taking away a single worker's right or benefit. It is good for business, it is good for workers and it is good for the scheme.

It is not just me saying that. Heather Ridout, the chief executive officer of the Australian Industry Group said:

The announced changes will have a positive impact in a number of areas and especially in terms of compliance and encouraging an improved focus on safety in the workplace.

An editorial in the *Australian Financial Review* of 29 August welcomed this announcement with the

headline 'WorkCover move a good first step'. Richard Marles from the Australian Council of Trade Unions echoed the words of Heather Ridout by praising them.

Hon. Bill Forwood interjected.

Mr LENDERS — Mr Forwood gets excited, because the only defence the opposition has is uninformed rhetoric. I am deeply disappointed: I thought Mr Forwood would have understood more.

Unlike the states of Victoria and New South Wales, the commonwealth, going on its ideological path, creates red tape. The latest venture of Kevin Andrews, the federal Minister for Employment and Workplace Relations, has meant that if a truck pulled up to a Coles store in Mr Forwood's electorate, to use an example, you would have one occupational health and safety regime on the truck, with a commonwealth inspector, another occupational health and safety regime in the shop and another on the loading dock. The loading dock would be a grey area; it might have the commonwealth regime or it might have the state regime. If someone were to take a bag trolley from the shop into the truck, would they be under the state regime or the commonwealth regime? If someone was using a forklift, would they be under the state regime or the commonwealth regime? If they were sitting on the fence, as Mr Forwood often does, they would be under both regimes!

With his ideological obsession of destroying WorkCover, Kevin Andrews is setting up a duplicate system, with commonwealth and state inspectors who will be in the same workplace. In Mr Forwood's Coles store, as I mentioned, we will have gone from a simple regime, which is bringing down injury statistics and premiums, to having two systems. There will be no improvement for business. It will be harder for small business and more complicated for workers. Kevin Andrews is drowning us in red tape. If he would open his eyes, look, and work with the states, we would have a better system.

WorkCover: Sentencing Act

Hon. B. N. ATKINSON (Koonung) — I note the announcement on the harmonisation of the WorkCover system, and I welcome it. Industry says the jury is still out. The minister has not yet cut away any red tape, he has just issued a press release.

The Sentencing Act 1991 allows a victim of crime to seek compensation on the basis that they are not required to endure further trauma and anguish in seeking that compensation. The Sentencing Act — —

An honourable member — Who is the question for?

Hon. B. N. ATKINSON — The Minister for WorkCover and the TAC. The Sentencing Act allows a victim of crime to proceed with their compensation claim on the basis that they simply have to tender evidence of a criminal conviction. Was it intended by the government that the Sentencing Act provision should also be used by employees in making WorkCover claims for post-traumatic shock or stress claims — in other words, is this a legislative anomaly or government policy?

Mr LENDERS (Minister for WorkCover and the TAC) — Mr Atkinson was uncharacteristically reading from a document, which we assume was prepared for and given to him to slavishly read. I assume the question was to me as Minister for WorkCover and the TAC, and under those terms I will happily answer it. First I will refer to Mr Atkinson saying in relation to my last answer that it was but a press release. I say to Mr Atkinson that when you have the WorkCover authorities of the two main jurisdictions covering 60 per cent of the economy, and when you have the Australian Industry Group — and Heather Ridout is a hardly an ALP branch stacker, as Mr Forwood seemed to be calling her before — —

Honourable members interjecting.

Mr LENDERS — Mr Forwood says it is a piece of paper. I say to Mr Forwood that it is a piece of paper as the Constitution Act is paper or as any piece of legislation is paper.

Honourable members interjecting.

Mr LENDERS — I say it to Mr Atkinson. Mr Forwood speaks more sagely than Mr Atkinson!

This plan put forward by the two states will have results, which makes it unlike the plans Mr Atkinson's government put in place. Mr Atkinson was part of Mr Kennett's shameful government during those seven long, dark years. The present government does not over-announce. This move has been announced only once. It is actually happening, so if Mr Atkinson goes and talks to the WorkCover agents and authorities and to industry, he will welcome this. I take on board his issue of graciously welcoming it.

In regard to the issue he referred to of the Sentencing Act, if he wants to ask for an opinion as to what the intention of the Sentencing Act was, he should ask that question of the Attorney-General. I will happily take it on notice for the Attorney-General, who is the minister

responsible for the Sentencing Act. What I can say to Mr Forwood, to Mr Atkinson — President, I am getting confused!

An honourable member — No you're not. You're not really.

Mr LENDERS — I guess I was just dazzled by what we would have in Baillieu land. I thought that the Treasurer, in referring to Baillieu land, was talking about la-la land, but obviously in Baillieu land, where the trees grow tall and hang with money, anything is possible. So I admit my confusion today. Mr Forwood and Mr Atkinson have confused me. I was bedazzled by the money from Baillieu land.

Hon. B. N. Atkinson — He wouldn't get a gig in the House of Commons either.

Mr LENDERS — I take up Mr Atkinson's interjection, Mr Baillieu certainly would not get a gig in the House of Commons.

I have probably been answering this question for long enough. I will just say to Mr Atkinson that the Victorian WorkCover Authority is designed to assist people who are injured by providing compensation for their injury in an environment where premiums can go down and safety can improve. Mr Atkinson knows that WorkCover claims are down by 4 per cent this year because we have a better occupational health and safety regime. Mr Atkinson knows that premiums are down by 10 per cent this year because of better compliance and the better occupational health and safety regime. I welcome his supplementary question, which I am sure is designed to further enhance the reputation of the state of Victoria in a bipartisan manner.

Supplementary question

Hon. B. N. ATKINSON (Koonung) — The investigation of a murder involving the collection of evidence, the onus of proof, the determination of culpability and prosecution beyond reasonable doubt has a much higher threshold than an occupational health and safety prosecution, which, for example, can hold an employer responsible for an accident notwithstanding that an employee has deliberately ignored the employer's directions on safety procedures. An employer has recently advised me of a WorkCover compensation claim for post-traumatic shock involving an accident seven years ago that relies on the Sentencing Act conviction provisions. I ask if the minister is prepared to legislate to disallow the use of the Sentencing Act as a basis for pursuing future WorkCover claims?

Mr LENDERS (Minister for WorkCover and the TAC) — Mr Atkinson is trying it on. He knows that he cannot call for legislation in a question. He raises a legitimate public policy point — that is always part of a balance — but as he well knows, one, he cannot call for legislation in question time, and two, this is the second-last week of the 55th Parliament, and even if legislation were to come — —

Honourable members interjecting.

Mr LENDERS — The main point is that it is a public policy issue that needs, as always, to be part of a balanced debate. Mr Atkinson normally errs on the side of not doing things rather than doing things, but I welcome his contribution to a debate.

Hazardous waste: Nowingi

Mr SMITH (Chelsea) — I direct my question to the Minister for Major Projects, Mr Lenders. Can the minister inform the house of any further progress on the government's proposal to locate a long-term containment facility at Nowingi?

Mr LENDERS (Minister for Major Projects) — I welcome Mr Smith's question on what is a very difficult area of public policy where the Bracks government has sought, after exhaustive consideration of the report of the Coleman inquiry, which was chaired by a former Liberal minister, to pass criteria — —

Hon. Philip Davis — Fine man!

Mr LENDERS — Mr Philip Davis says he was a fine minister, so I assume Mr Davis is endorsing the decision to take up the recommendations based on the Coleman report and move the long-term containment facility to Nowingi. It is quite interesting that Mr Philip Davis appears to be praising the chair of the Coleman inquiry and its report, under which criteria Nowingi was found. In Baillieu land, where money grows on trees, we seem to have discovered that some people in this state, particularly the Leader of the Opposition, seek to be all things for all people.

Mr Smith asked me whether there has been any further progress on Nowingi, and I can tell the house there have been 56 days of hearings now, with 24 substantive reports, 9 supplementary reports — —

Hon. D. McL. Davis interjected.

Mr LENDERS — It is interesting that Mr David Davis is now joining the fray, because I was reading about this in a paper just recently.

Hon. Bill Forwood interjected.

Mr LENDERS — Mr Forwood asks me which one, and the paper I was reading was the *Hume Weekly*. A spokesperson for Mr Baillieu told the newspaper:

At this stage, the Victorian Liberal Party has ruled out a new toxic dump in Mildura.

At this stage! I would certainly say to Mr Bishop, who will go into a coalition with those opposite if the electors give him the opportunity in November, his potential coalition partner is saying that at this stage the Liberal Party will not rule out a toxic dump at Nowingi.

It begs the question: at what stage will it rule out a long-term containment facility at Nowingi? And it begs a bigger question of this flip-flop attitude of being all things to all people in different parts of the state. When the residents of Tullamarine are upset with Mr David Davis's half-baked policies about putting waste somewhere, what does the Leader of the Opposition say? In Baillieu land you say in Tullamarine, 'At this stage we have no proposal to build a dump in Mildura', because obviously it is an avenue so it does not go to Tullamarine. When it goes to Gippsland, the opposition has a view that, 'We will not build it in Gippsland, we will build it somewhere else'. In half of rural Victoria it says, 'We will build it in the other half of rural Victoria, within 100 kilometres of Melbourne'. That is from Ms Asher, the member for Brighton in the other place. Then Mr Davis denies what Ms Asher is saying, but the Leader of The Nationals, the prospective Deputy Premier, says it will be within 100 kilometres of Melbourne!

The Bracks government has made the hard but fair decision to deal with long-term waste, the 89 000 tonnes of waste in Victoria. We propose to store it in a world-class facility where it will not leach into the water table, where it will not be put into landfill, but where it will be put in the safest, most appropriate place. It has gone through an exhaustive environment effects statement process where those who would want this state to become Baillieu land, where money grows on tall trees, would suddenly say different things to different people at different times but be all things to all people.

I hope The Nationals, the would-be allies of the Liberals in a future coalition government, say now and publicly that they will not be part of any team that 'at this stage' rules out a dump in Nowingi, because that is what Mr Baillieu said. The Bracks government has made the hard decision, and we have done what we needed to do to make Victoria a better place to live, work, invest and raise a family.

Water: Latrobe Valley feasibility study

Hon. P. R. HALL (Gippsland) — My question without notice today is directed to the Minister for Energy Industries, the Honourable Theo Theophanous. Does the government intend to introduce legislation requiring Latrobe Valley power stations to use recycled water?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — On a point of order, President, I seek your direction on the question. I am happy to answer the question, but I seek the Chair's direction in terms of the request of me in relation to legislation and whether that is in line with the standing orders.

The PRESIDENT — Order! On the point of order, the question of calling for legislation is prohibited in the adjournment debate but not in questions without notice. He did not call for it, he just asked whether you were going to introduce it, so the question is in order.

Hon. T. C. THEOPHANOUS — Thank you, President, and I am happy to answer the question put by the honourable member. I should begin by saying that I am not the Minister for Water but the Minister for Energy Industries. However, any water proposal which has elements contained within it that would affect the energy sector and the power stations in the Latrobe Valley is of course of interest to me as Minister for Energy Industries.

The project floated has been the subject of a feasibility study, and that feasibility study has come up with some proposals. It is certainly not the case that the government has made any decisions in relation to this project. I would also say that the government recognises that the project is, if it were to go ahead, very complex and a number of issues would need to be carefully examined, including of course whether the power stations and the industry can use recycled water and what the cost of that water might be.

This project is one which of course has some benefits on the water side in relation to the provision of clean water to Melbourne, Ballarat and other areas, but it also has some other issues associated with it. It is in the early stages of a feasibility study, and it certainly is not at the point where I can say a decision by the government has been made in relation to it.

The only other thing I can add is that we have discussed the possibility of the project with the Latrobe Valley generators and we will of course work fully with them in relation to any scoping or implications of this project for their operations.

Supplementary question

Hon. P. R. HALL (Gippsland) — The minister indicated that a feasibility study had been undertaken into this issue of the use of recycled water. I ask the minister: is that feasibility study completed and, if it is completed, will it be released?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — What I could say to the honourable member is that, yes, there has been a feasibility study. The government obviously would have to consider that feasibility study before any such decisions were made. I am not sure that has occurred.

Hon. B. N. Atkinson — It is an election stunt!

Hon. T. C. THEOPHANOUS — One of the things that we do as a government is carefully consider policies before we put them out, which is not something that you can say about the opposition. In fact, to quote Prime Minister John Howard, one of the problems with the state opposition is that it does not invest enough time and energy into working out an alternative policy blueprint over a longer period of time. That is the real problem.

Consumer affairs: ABC Learning Centres

Mr SCHEFFER (Monash) — I refer my question to the Minister for Consumer Affairs. There have been several recent reports of the effect of rising interest rates on Victorian families, and increasing household debt levels are a big concern. Given the Bracks government's commitment to helping Victorians with credit and debt issues, could the minister advise the house of any current credit or debt issues that Victorian families should be aware of?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I thank the honourable member for his question. As the member noted, the Bracks government is committed to addressing concerns around credit and debt issues, and members will recall that in July of last year I warned in this place about a new offer being made by the largest private child-care provider in the country, ABC Learning Centres. ABC Learning was offering to lend parents 30 per cent of their child-care fees up to a maximum of \$4000 per child per financial year, to be recouped when the parents received their child-care rebate in their tax return.

Each week when these fees are paid the amount is added on to the family's loan. ABC Learning called this loan a 'deferred payment plan' and marketed it by telling families, 'Don't wait for the child-care rebate'. This marketing, together with the loan amount itself,

clearly paints the loan as simply an advance on the moneys that the family will get back through the child-care rebate.

But I warned families then that the loan contract only allowed them until 30 September each year to repay the loan. The loan contract states that if you are late — even by one day — in repaying the loan you have to pay 8 per cent interest on any overdue amount.

While these concerns are still valid, I am now aware that there are even more concerns about this loan. The federal government has announced that families will not be able to claim their child-care rebate for the last financial year until the following year's tax return is filed. This means that no family will receive last year's child-care rebate before 30 September this year — not in time to repay their ABC Learning loan.

Dr John Costella has recently written to me, after he saw my warnings and checked the loan contract. Filing their return in time would not be a problem for his family, but he is concerned about other families. Even so he will also be out of pocket through no fault of his own.

ABC Learning should do the right thing by families and waive the 8 per cent interest for late payment by at least 12 months. This will give families the time to get their rebate, especially as marketing used by ABC linked the loan to the child-care rebate.

Dr Costella also pointed out that ABC Learning continued to market its loan after the federal government announced its decision about how you would claim the child-care rebate. It did not warn families already on the loan plan, enabling them to reconsider if they wanted to continue adding to their loan each week.

I have asked Consumer Affairs Victoria to investigate Dr Costella's complaint further. Of course ABC Learning is not entirely to blame here. The federal government is deliberately withholding families child-care rebates by an extra year rather than paying them the year the actual tax return is filed.

Further, the federal government is conning families by calling it a rebate. If financial circumstances change for the family, they might not earn enough to claim the tax offset, but would still have to repay the ABC loan.

I am urging consumers who are concerned about their ABC Learning contracts, or how they are marketed to them, to contact Consumer Affairs Victoria and seek advice. Unlike the Howard government, the Bracks

government is committed to making Victoria a great place to live and raise a family.

Local government: funding

Hon. J. A. VOGELS (Western) — I direct my question without notice to the Minister for Local Government, Ms Broad. The minister, along with the Premier, the Honourable Steve Bracks, the Treasurer, the Honourable John Brumby, the Minister for Agriculture in the other place, the Honourable Bob Cameron, attended the Small Towns Victoria launch this morning. The rural councils network has lobbied long and hard for extra funding from the Bracks government, particularly for local road infrastructure. A Liberal government, as members would know, will match the federal government's Roads To Recovery funding by injecting an extra \$127 million into local roads and bridges across Victoria. I ask: did the minister promise to deliver any real support today to our 38 rural councils? Will the minister provide funding assistance for these councils for local road infrastructure or will she not?

Ms BROAD (Minister for Local Government) — I welcome the question from Mr Vogels on the very important matter of funding, particularly for our smaller rural and regional councils. I was pleased to participate this morning in the first meeting of Small Towns Victoria, together with the Premier, the Treasurer and the Minister for Agriculture in the other place.

At that meeting the government was in a position to discuss with the small town rural and regional councils the Provincial Victoria statement and the very large investment this government has already made and which we are now working, through the Municipal Association of Victoria and the councils, to implement. Unlike the former Kennett government that told local government what was good for it and whether it would get it or not, as the case may be, this government actually believes in working in partnership with local government and implementing those initiatives in a partnership with councils.

Members opposite know full well what the actual arrangements are for road funding in Australia, including Victoria. Those road funding arrangements mean that grants funding for local roads is clearly the responsibility of the federal government. Guess why those opposite want to talk about what the Bracks government is doing in relation to something which is a federal Liberal government responsibility! Why are they not talking to their colleagues in Canberra about what they should be doing to support the financial viability of local governments across Victoria?

As I again related today at the Small Towns Victoria inaugural meeting, the Bracks government has increased its grants to local government by 50 per cent in this year's budget. That is after allowing for commonwealth grants, which have actually gone down this year when you take into account the withdrawal of \$200 million from Victoria in national competition payments.

The Bracks government has the runs on the board in terms of its demonstrated financial support and its partnership with Victorian councils, particularly the smaller rural shire councils. It is about time Liberal opposition members started talking to their colleagues in Canberra about the federal government meeting its responsibilities to properly fund councils through, amongst other things, local roads funding and financial assistance grants which are untied and which are also used for roads funding.

Supplementary question

Hon. J. A. VOGELS (Western) — From that spiel and spin I gather the answer clearly is no. I heard from a couple of councillors who came all the way from rural Victoria to the meeting this morning that they are going home empty handed. They told me it was a waste of time to listen to anybody, including the Premier, the Treasurer and the minister, because they offered nothing which they have not heard a million times before. There are 21 rural councils in Victoria with a population of less than 20 000 with a rate base under \$10 million each. They are responsible for a vast majority of Victoria's local roads and bridges. Can the minister confirm that the Bracks government accepts no responsibility for Victoria's local roads and bridges? I want one answer, yes or no. Does or does not the minister accept responsibility for local roads in Victoria — just yes or no?

Ms BROAD (Minister for Local Government) — I have already advised the members opposite, including Mr Vogels, that the Bracks government has increased its funding to local government through grants by 50 per cent in this year's budget. I do not know which part of that Mr Vogels does not understand, but 50 per cent in anybody's language is a very substantial amount, and it is a further demonstration of the Bracks government support for councils right across Victoria, especially our smaller rural shire councils.

It is about time the Liberal Party produced some policies in which it can demonstrate how it will pay, out of this Baillieu land magic pudding, for any promises or any policies it might care to produce this side of the state election.

Minerals and petroleum: exploration

Hon. J. G. HILTON (Western Port) — I refer my question to the Minister for Resources, the Honourable Theo Theophanous. I am pleased to provide the minister with a sensible question for which he has been waiting. Can the minister advise the house of any recent statistics that highlight the massive boom in mining and petroleum exploration that Victoria is experiencing at the moment?

Hon. T. C. THEOPHANOUS (Minister for Resources) — I am very pleased to be able to answer a sensible question from a member who understands the importance of this industry to Victorians. I am pleased to inform the house that the latest Australian Bureau of Statistics and Australian Bureau of Agricultural and Research Economics reports have again highlighted the extraordinary boom that Victoria's resources industry is undergoing at the moment. Indeed the latest publications from ABS on mineral and petroleum exploration and ABARE on Australian mineral statistics released today, as well as recent ABS statistics, paint a picture that suggests the resources boom in Victoria continues unabated.

I want to mention two areas: one in minerals exploration and the other in petroleum exploration, which was also raised with me by the Leader of the Opposition in his attempt to distort the facts. Let me give the house what the real facts are on petroleum exploration. In 1999–2000, which was the last year of the Kennett government, \$34 million was spent on exploration in the petroleum sector. Guess what? That was its best result over the period. According to statistics, last year we had approximately \$170 million of exploration. Beyond that, over the last three years the average expenditure on exploration in the petroleum sector has been \$100 million a year. That is our record compared to the Kennett government's record of \$34 million. Everything else over the seven dark years was less than that.

Let me just give the house the statistics on minerals exploration. Last year expenditure reached \$74.1 million, which is the highest on record and represents an incredible 44 per cent increase over the previous year. Consider the fact that Victoria has 3 per cent of the land mass and is attracting 6 per cent of mineral exploration expenditure across the country. That is our record. It translates into real investment in projects in this state.

Private capital expenditure in mining in Victoria soared in 2005–06 by 146 per cent over the previous year to a massive \$1.7 billion of investment in this sector. That is

why we are getting projects up like the Iluka Douglas minerals sands project in western Victoria, Woodside's massive Otway gas project at Port Campbell, Bendigo Mining's project and the Costerfield project. The list goes on of investment in this sector, which is creating real jobs in regional Victoria.

Commonwealth Games: financial reporting

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — My question is for the Minister for Commonwealth Games. I refer to the minister's evidence before the Public Accounts and Estimates Committee, when he stated in relation to the games that the environment report card would be released in July–August, the triple bottom line report would be released in August and the economic impact statement would be released in August. Will the minister confirm that he has failed to meet all three of these deadlines?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the member's question, because all of those reports will be released shortly and every one of them is good news. We know the opposition has been miserable when it comes to the Commonwealth Games. It has been miserable because they were such a spectacular success. We know it was desperately waiting for the games to not deliver, but we delivered the games. The interesting thing, which was not lost on me and should not be lost on the opposition — —

Hon. B. N. Atkinson interjected

Hon. J. M. MADDEN — I say to Mr Atkinson that it was in the fortnight after the games that a number of shadow ministers resigned. Why did they resign in the fortnight after the games? The only chance they had of getting a promotion was if our games went off the rails in some form. They were desperately hoping the games would not be delivered properly. Unfortunately for the opposition, the Commonwealth Games were an absolute and outstanding success, as was endorsed by the Commonwealth Games Federation president, Mike Fennell. They were simply the best. It is not lost on this side of the chamber that a number of the key shadow portfolio holders in the opposition from the other chamber were desperately waiting for light at the end of the tunnel. There was not any light at the end of the tunnel, as the games were an outstanding success.

Hon. Bill Forwood interjected.

Hon. J. M. MADDEN — I know the opposition is miserable because of that, but I say to Mr Forwood that everybody in Victoria had a wonderful time at the

Commonwealth Games. They celebrated and had a tremendous time — all, I suspect, except for the opposition.

Supplementary question

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I note the minister's response that these reports will be released soon despite his commitment back in June that they would be released in July–August. We can only assume that the turf war with the chairman, Ron Walker, over who has the more prominent photographs, is delaying the release of these reports. Given that the minister has failed to meet all three of these deadlines to date and that his promises have proven to be worthless, how can Victorians have any confidence that he will deliver the end-of-games report before the election?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — Let me just say: watch this space. First, it is going to be terrific when we make the announcement and release all those documents. Second, Mr Walker and I have a marvellous relationship — as I am quoted in the paper, we have a beautiful relationship. As Mr Walker is quoted as saying, he is happy to do a dance with me in Federation Square at any time — and he said he would provide the fish-net stockings and the red dress! I think I commented to Mr Walker, because we do have a good rapport, that whilst I am happy to take him up on that offer on my dance card, I am also happy to take a raincheck on the fish-net stockings. I might comment that I think that when it comes to fish-net stockings it is the conservatives, not people on this side of the chamber, who have a tremendous reputation for that sort of thing!

Mining: investment

Hon. KAYE DARVENIZA (Melbourne West) — I refer my question to the Minister for Resources. Can the minister advise the house of any recent decisions taken by the Bracks government that will lead to more jobs and investment in the central goldfields and lead to better outcomes for water usage in the region as well?

Hon. T. C. THEOPHANOUS (Minister for Resources) — I thank the member for her question. I know she has a very strong interest in that particular region.

In the resources sector the good news for regional Victoria just keeps coming. Recently I visited Bendigo Mining's new Kangaroo Flat mine site and announced that the company's Eaglehawk proposal, one of

Australia's largest gold projects, has passed all potential planning processes and will only need approval for mining works to go ahead. Bendigo Mining Ltd's revised proposal for the Eaglehawk mine will not need a further environment effects statement (EES), provided the northern wall bund of the mine site does not exceed 17.5 metres in height. The proposal also does not include an open-cut mine. I can assure the house and the people of Bendigo that the new mine will also be carefully regulated through a work plan that reflects the conditions in the original EES process and takes into consideration the fact that the mine will operate in an urban environment.

This is yet another example of a booming industry in that region. It should be contrasted with what was there when we came to power. We had in Victoria one languishing gold mine, producing about 80 000 ounces of gold. Now we have 250 000 ounces of gold coming out of that region and projections put us on track for producing 1 million ounces of gold per annum by 2012. This is a phenomenal achievement and in this particular instance the project we are talking about has an additional benefit. Currently Bendigo Mining is treating some of its excess ground water at its New Moon plant to produce approximately 62 megalitres of irrigation-quality water each year for public use.

I can report to the house that as part of this proposal Bendigo Mining is building another treatment plant to increase water available for public use up to 1800 megalitres a year from early 2007. So a huge increase in the water available to the Bendigo region is also part of the outcome of good planning on this proposal and working with the industry to create the hundreds of jobs that are involved and the prosperity that this project is bringing to Bendigo.

These sorts of projects, on which I have reported consistently to the house, and the progress and prosperity that are occurring are partly because of the hard work of the industry and also because of the work that officers of the department do in producing geophysical and geological information. Ultimately it also involves hard work and real policies and real direction by government.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — Listen to the Prime Minister: to get results you have to do the hard work on policy. That is the problem. Not only the Prime Minister said that. Brian Loughnane, the federal director of the Liberal Party, had this to say:

You can't just turn up on election day, as we say in the trade, you can't expect to fatten the pig on market day.

The Leader of the Opposition should listen to those words.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 5910, 6009–19, 6549, 6886–96, 7447, 7461, 7490, 7532, 7616, 7658, 7700, 7742, 7784, 7826, 7868, 7893, 7910, 7952, 8080, 8117–22, 8125, 8128–30, 8162, 8163, 8209, 8502–5, 8517–19, 8563–82, 8586–8, 8601, 8612, 8613, 8640–2, 8644, 8645, 8654, 8679, 8722, 8728.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I seek an explanation from the Minister for Consumer Affairs with respect to questions 8136 through 8144, which were directed for the attention of the Minister for State and Regional Development in the other place. The minister responded on 24 August that she would seek answers from the Minister for State and Regional Development. Can she provide the house with an update as to where they are?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — We have raised the matter with the Minister for State and Regional Development to provide responses to those. Unfortunately I cannot give a timing as to when that might occur, but we will follow that up again to ascertain a timing.

SURVEILLANCE DEVICES (WORKPLACE PRIVACY) BILL

Second reading

Ordered that second-reading speech be incorporated for Hon. J. M. MADDEN (Minister for Sport and Recreation) on motion of Mr Lenders.

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

In October 2005, the Victorian Law Reform Commission (VLRC) delivered its final report on workplace privacy. The VLRC's report was the culmination of the first comprehensive review of workplace privacy laws undertaken in Australia.

This bill implements a key recommendation of the VLRC's report. The VLRC recommended that the surveillance of workers by their employers in areas such as workplace toilets and change rooms be prohibited.

All workers deserve to be treated with dignity in the workplace. Workers should feel secure when they are in a work change room or bathroom. They should feel safe in the knowledge that they will not be observed by prying eyes.

The government recognises that some employers rely on surveillance to protect their property and staff. However, surveillance of workers in private areas such as workplace toilets is generally unacceptable to the community. These are areas where workers expect, and are entitled to, a high degree of privacy and which are deserving of special protection.

I now turn to the details of the bill.

The bill amends the Surveillance Devices Act 1999 to prohibit employers placing workers under surveillance, using an optical surveillance device or listening device, in workplace toilets, washrooms (including shower and bathing facilities), change rooms and lactation rooms.

It is not intended that the bill affect the existing prohibitions on the use of optical surveillance devices and listening devices in the Surveillance Devices Act but to enhance them.

The bill applies to all Victorian employers, whether they are partnerships, businesses or companies. It applies across the public and private sectors.

The government believes that all workers are entitled to privacy in private workplace areas. Therefore the bill not only protects the privacy of employees in these areas but also other people who may be engaged by an employer, such as volunteers and independent contractors. However, the bill is not intended to cover domestic arrangements where householders engage babysitters or tradespeople. The existing provisions of the Surveillance Devices Act would continue to apply to protect people engaged by householders from unwanted surveillance.

The Surveillance Devices Act currently offers some protection against unwanted surveillance in limited circumstances. It does so by prohibiting third parties from using a surveillance device to observe or record a person's 'private activities' or 'private conversations' without the person's consent.

While these prohibitions may apply in the workplace, the nature of the work relationship between employer and worker can make it difficult for workers to withhold their consent to surveillance.

The bill clarifies this position by making it an offence for employers to conduct surveillance of workers in private areas in the workplace, even with a worker's consent.

The government recognises that there may be very limited circumstances when surveillance in private areas of the workplace is necessary. For example, an employer may suspect that a worker is involved in some kind of illegal activity in a work washroom or toilet and wishes to use surveillance to gather evidence. In such cases, the bill permits an employer to seek the assistance of the police to conduct surveillance under a warrant or emergency authorisation.

The information obtained from surveillance in these circumstances is 'protected information' which must be handled in accordance with part 5 of the Surveillance Devices Act. The bill makes it an offence to communicate or publish this information in other ways.

The bill also permits surveillance in accordance with a law of the commonwealth, such as a law dealing with national security issues. Subsequent publication and communication of any information obtained in this way must also be authorised by the relevant commonwealth law.

Finally, the bill takes account of existing liquor licensing arrangements. Liquor licences may require surveillance to be installed anywhere in hotels, clubs and other 'high risk' licensed venues. Venues which trade late at night are generally regarded as 'high risk'. Surveillance in these venues is for the protection of staff and patrons and to combat problems associated with drug and alcohol abuse. For this reason, the bill allows for surveillance in accordance with the conditions of a liquor licence. The information obtained from the surveillance must be used in accordance with licence requirements.

The bill is the first stage in developing a more comprehensive regime to protect privacy in the workplace. It seeks to achieve a balance between protecting the privacy of workers in private workplace areas and enabling employers to operate their businesses and protect their interests.

The Standing Committee of Attorneys-General will be considering a nationally consistent approach to workplace privacy. If SCAG cannot agree on an approach, this government will consider how best to protect the privacy of Victorian workers.

I commend the bill to the house.

**Debate adjourned on motion of
Hon. C. A. STRONG (Higinbotham).**

Debate adjourned until next day.

VICTORIAN RENEWABLE ENERGY BILL

Second reading

**Debate resumed from 12 September; motion of
Hon. T. C. THEOPHANOUS (Minister for Energy
Industries).**

Hon. J. A. VOGELS (Western) — Let me say at the outset that the opposition does not support the Victorian Renewable Energy Bill, not because we do not support funding renewable energy sources for Victorians but because this piece of legislation is flawed. This bill is here today to prop up wind generation, the most expensive and unreliable source of power generation that we know of today.

Let us consider in megawatts where Victoria's power comes from and the cost per megawatt hour. I got these figures from the *Age*, which has been quoted extensively in this debate. Brown coal produces 6396 megawatts, at a cost of between \$32 and \$40 per megawatt hour; gas produces 1505, at between \$42 and \$47 per megawatt hour; hydro produces 2325 megawatts, at between \$45 and \$55 per megawatt

hour; and wind produces 238 megawatts, currently at between \$70 and \$80 per megawatt hour. Of the approximately 10 643 megawatts that are available, wind power produces 0.238 per cent, and at least twice the cost per megawatt hour of the other sources available today.

Geoff Strong explained it very well in the *Age* of 5 August, when he wrote:

While a stick-figure army of windmills is set to invade the landscape thanks to the state government's new renewable energy policy, there is growing evidence that wind power will have little impact on the greenhouse crisis.

This is a very important argument in this whole debate. The article continues:

Richard Elkington, general manager for power at the state's biggest generator, Loy Yang Power, admits that as brown coal stations reduce output, they start emitting more greenhouse gas in proportion to electricity generated.

'Brown coal stations are at highest efficiency when they are running flat out, that is also when they produce their least greenhouse gas.'

Coming from country Victoria, I can understand that. We have a Heatcharm heater, in which we burn wood. When it is burning flat out on a cold day it produces clean heat, with basically no smoke coming out of the chimney at all. Looking at the glass window at the front of the heater you can see the flames and you see that it is clear. Everything looks as clean as it could be. Before we go to bed we turn it down — we do not want it to go out, but we turn it down. When we get up in the morning, we cannot see through the glass any more, as it is full of soot. If you go outside during the evening for any reason you see smoke pouring out of the chimney. The claim that wind energy will reduce greenhouse gas emissions is one of the big furrphies. It will not do so, because you cannot turn a power station off. If wind is blowing everywhere and producing the 238 megawatts that are available at present, you would turn the power station down a smidgeon, which means it would be burning less efficiently and producing more greenhouse gases.

The other question that has been raised is why we do not invest more energy — excuse the word, I mean people's energy — into finding better technology for brown coal power stations. Presently about 98 per cent of power comes from coal. Even if the Victorian renewable energy target kicks in and everything works the way the government wants it to work, the most it will ever be at this stage is 10 per cent of our energy needs. Brown coal will always supply 90 per cent of our power, and there is nearly 500 years supply of brown coal. So we should be working as hard as we

can — no doubt with other countries in the world — on geosequestration. That is happening where I come from. There is a pilot geosequestration project at Miranda. I think about \$3 million is proposed to be spent there to see if we can get some of the carbon out of the atmosphere by capturing it as it comes out of the chimneys and injecting it into the ground. This is obviously the path we want to go down.

I think the government is on to this. I quote from a *Sunday Age* article headed 'Secret to cheap fuel is coal'. It states:

A \$5 billion proposal to turn some of Victoria's abundant brown coal into diesel moved a step closer after the state government revealed it was about to grant a mining licence to the company behind the project.

The article says Mr Theophanous talked about geosequestration. We can get carbon out of the atmosphere and inject it into Bass Strait or wherever the gas came from originally. These are the things we need to look at. This is where we should be spending our money in the future.

I found a very interesting article in yesterday's *Warrnambool Standard*. We have heard the government talking about a new gas-fired station at Mortlake, which will produce 1000 megawatts. To my surprise and the surprise of everyone from the Western District, the pin has been pulled on it until at least the middle of next year. The article says:

The future of a \$1 billion power station in Mortlake will remain undecided until next year, according to the company behind the plan.

Why is this happening? Being a bit of a cynic, I would say it is because we have an election coming up. I honestly believe this gas-fired power station at Mortlake will never go ahead. We know in the Western District that Alcoa wants to put in another potline at Portland, which will require an enormous amount of power. Aluminium is basically frozen electricity which we sell overseas, and an enormous amount of power is used to produce it. Another potline would require 500 or 600 megawatts of power. Alcoa has already told the government it will not use wind power, because it is exempt from this bill and does not have to accept wind power. All the poor consumers do have to use it, and they will have to subsidise Alcoa, the biggest user of electricity in Victoria, which will not have to pay. If it puts in another potline it will want cheap electricity — because that is what they are selling, frozen electricity — and the only way to get cheap electricity in Victoria is from brown coal.

Reading between the lines, I believe if it wins the election this government will build another brown coal power station in the Latrobe Valley as soon as the election is over, which will instantly mean the proposed gas-fired power station at Mortlake will not get up, because its energy would be too expensive and would not be used. Some members from south-west Victoria are meeting with Origin Energy at 4 o'clock this afternoon. It is coming here to give us a briefing on what is happening. Reading between the lines, I do not believe the Mortlake power station will get up. Two gas-fired power stations have been proposed, one in Queensland and one in Victoria. It is the one in Queensland that will go ahead, not the one in Victoria. Queensland has no mandatory emissions target scheme. Before the Queensland state election I saw Peter Beattie, the Queensland Premier, acknowledge on television that wind power is pie in the sky. Queensland will not be going down the wind energy path because the power is too dear and unreliable. Wind power is divisive, and it just will not work. But apparently Victoria will go it alone.

The Liberal Party is not anti-wind farms. If people want to use wind energy, let them use wind energy. If people want to build wind farms and can sell wind energy into the grid, good luck to them. But wind farms should not be forced on people or communities who do not want them. They are so divisive that everywhere in my area where wind farms have been constructed we have father against son, neighbour against neighbour and community against community. It is sad to see people who have been together in footy clubs or surf clubs, on hospital boards or wherever, and who have been great mates for years, not talking to each other any more because a wind farm has been put on a neighbour's property and it has disrupted their lives. There is a lot of anger out there. I think that is very sad, and it should not be happening.

Surely in a state in a country the size of Australia we could put wind farms somewhere where nobody would object. I refer to Chalicum Hills at Ararat. I think the majority of the people of Ararat wanted Chalicum Hills to go ahead as a wind farm, and it has done very well. There is another one at Codrington, which is basically supported by the local community and the local council. Presently a company called Acciona wants to build a wind farm on the Newfield ridge between Port Campbell and Timboon. If it gets the go-ahead, I think 15 turbines will be put there. The community down there is completely and utterly divided because of the 15 turbines. We hear the government talk about the amount of power wind farms will produce being enough to save the pollution created by 100 000 cars on the road and that sort of rubbish. It

can use figures, but in the old days it was called lies, damn lies and statistics. You can make anything out of that you want to.

The Liberal Party does not support this bill. It will transfer about \$2.3 billion out of consumers pockets into the pockets of multinational companies. We think there is a better way to go. Let us have some wind farms, but the whole renewable energy policy should not be put into one renewable resource — that is, wind. We should also be looking at tidal power and solar power. Tidal power is one of the best ones to look at for the future. You do not even know the infrastructure is there, because it is under the ocean. There is a project in Portland where a company is trialling tidal power. The future for that looks very good, but it might be a few years down the track. In the meantime let us put our resources and the millions that would have gone into wind farms to where the problem is — that is, gas-fired power stations at Loy Yang. Let us have better technology so that less and less greenhouse gases come out of those chimneys. That would be a real answer.

In closing, there is a proposition for a renewable energy park in Ararat in my electorate. If there are wind farms in the area, the community would love to build the blades et cetera that will be needed for the towers. It has put a very good proposition to the government for the renewable energy park. I support that proposal if the wind farms and turbines are placed in areas where they will not divide local communities. The opposition will be opposing this bill.

Mr SMITH (Chelsea) — Environmental issues are not a particular strength of mine; however, I am pleased to make a contribution to this debate on renewable energy. Initially I was almost reluctant to do so, but then I heard some of the waffle coming from the other side — the hot air almost — and I decided that I would contribute.

An honourable member — The turbines started turning.

Mr SMITH — No, they were not that powerful, but I thought I would make a contribution to this debate. The reason for that principally is that this is an extremely important issue for all of us — and the fact that I have a daughter who is an environmental scientist who applied some pressure on me. I thought that if I did not make some contribution here I would really get it in the neck at some stage. The reality is that this government has embraced the fact that we have to do something for the long term that is in the best interests of our people in terms of the environment and sourcing renewable energy. We know coal is a problem for not

just Victoria but for the planet with the current amount of emissions that are sent into the air. We know that global warming is happening.

The arguments about what is causing global warming to happen are many and varied. What is interesting to me is how many intelligent people can get information by reading, researching and listening to all the issues on global warming and decipher them so totally differently. By way of example, currently a documentary — I imagine you would call it that — by Al Gore called *An Inconvenient Truth* is being shown. It is getting some strong reviews and is proving to be quite popular with a lot of people. Other people are producing ample evidence to suggest that he is really drawing a long bow in a number of areas. I am aware of a professor at Massachusetts Institute of Technology in Boston who is a research scientist in the area of climate et cetera. He put some very strong arguments that counter what Gore and a significant number of scientists claim to be the case. I think Gore indicates that some 928 scientific papers have been written on the issue that support what he is claiming. I am also aware of another survey of 17 000 environmental and climate scientists around the planet, some of whom have suggested that they disagree that man is totally responsible for global warming.

A non-scientist lay person like me can only get confused when trying to assess the arguments on both sides and come to some position. For example, I am aware that this planet has had at least two ice ages.

An honourable member — Seven.

Mr SMITH — I am not sure. Someone in the background indicates there were actually seven. I did say ‘at least’, and I am pleased to hear there were seven because that only helps my view that we did not cause them at all and that the planet warmed of its own volition somehow X number of times and the ice melted. I am also aware of significant research going on by some Russian scientists — I cannot pronounce the field that they are in — which is the same research as the research being conducted by some Israeli scientists into some sort of electromagnetic field that emanates from the sun. Their research is indicating that this is having a significant bearing on the weather or temperature or climate of the planet. That is extremely interesting.

I am aware that people are claiming our ice caps are melting, to the point that we are all going to drown. But then again, I have been hearing for I cannot remember how many years that Tuvalu is sinking, but I know it is still there. When I put some ice in a glass of water, it

melts, but the glass does not overflow, so I am a bit confused by it all. But what I am not confused about is that we are using natural resources for energy that will not last, that cannot last, and I think it is now accepted that they are not in the best interests of our environment. I talk of course about brown and black coal emissions, oil, petrol et cetera. We simply have to find other ways. As the global economy kicks in and economies around the world develop increasingly, more pollution will be generated and the amount of gases going into the atmosphere will only increase.

I try to balance this argument, this commonsense position, with our overall economy. I think to myself, 'If Australia — more importantly, if Victoria — embraces wholeheartedly these changes, it will not make any difference to our position globally as far as Kyoto is concerned simply because the federal government has not signed off on Kyoto'.

No matter what we do in terms of improving our position with regard to our pollution or climate control measures in line with Kyoto, we will not benefit from the financial gains that can be had because we are not a signatory. I note that Greg Hunt, the federal member for Flinders, proudly says, 'We do not have to bother about signing Kyoto, we just deliver the outcomes'. That is great, but we do not get the benefits. What is the point? If we are doing it to the extent that we are required to under Kyoto, then just sign it; sign it and get the benefits.

When I talk about benefits, I refer to a windmill centre in New Zealand that is being paid for by the Danes or the Dutch —

Hon. J. A. Vogels — The Dutch!

Mr SMITH — I accept Mr Vogels' comments that it must be the Dutch; given he is a Dutchman, he would know. It is getting credit under the Kyoto scheme for producing these windmills to the extent of some \$5 million or \$6 million. Japanese companies, for instance, who are polluters are willing to plant forests or timber plantations in Australia for credits and we would benefit from that financially, but we cannot because we are not a signatory to Kyoto, which to me is just an economic nonsense. It is just pigheadedness on behalf of the Prime Minister, Mr Howard, and I would like to think that some of his colleagues would pressure him to review that. At the end of the day we can go to-and-fro about the cause and effect —

Hon. E. G. Stoney — Acting President, I draw your attention to the state of the house.

Quorum formed.

Mr SMITH — I take it as a compliment that the opposition called for a quorum because it indicates to me that at least I was cutting through with my contribution to the debate on this bill.

As I was saying, there are many arguments for and against in terms of who is responsible for global warming, but I am not hearing any argument that says global warming is not occurring. I had this discussion with a colleague yesterday when I raised my concerns about not jumping automatically one way or the other and becoming fully supportive of one side or the other.

Simon Schama is a famous British historian who wrote a history which covered 5000 years of British history and which was featured in a 15-part television documentary. He started at the very north-eastern tip of Scotland in the Shetland Islands where an excavation discovered a village in pristine condition which had been buried in sand for some 5000 years. Those experts could clearly see that this village had been built at a time when the climate and the environment in the very northern part of Scotland was subtropical. That goes a long way to proving that we should not automatically assume that we know everything about climate changes that have occurred during the course of history of the planet.

The main reason I rise to support the bill is because the Minister for Energy Industries, the Honourable Theo Theophanous, has worked with great alacrity, over the time he has held the responsibility for this area, to find ways and means of improving our energy output and our environmental impact upon the state. We have looked at things like geosequestration, for instance, which in my view provides a clear reason for maintaining our reliance on brown coal. It deals with the emissions that are the price we pay currently for mining or using brown coal. It makes absolute sense to put it into holes that already exist, where we have drilled and extracted oil from the seabed. If we can find a way to put it back down those holes, it sounds good to me. However, there are people who automatically jump up and say, 'No, there could be problems here'.

No matter what you attempt to do there will always be some people who will be opposed to it, for whatever reason. Principally that opposition comes from the fact that they do not want brown coal used in any way, shape or form, or mined. They are entitled to that opinion, but I highlight the fact that the minister is working with experts from all fields to find ways and means of using renewable energy or finding better sources, or cleaning the current sources of power energy, at the same time as maintaining the significant

advantages we have in Victoria of that cheaper power. Naturally we wish him well.

I was fascinated to hear the Honourable John Vogels, who has unfortunately left the house, bagging some of the government initiatives on this issue. Given that he resides in the far west of this state and that he will be standing for a seat in that region at the next election, I would like to ask him — I will of course ask him personally later — if he has doorknocked or intends to doorknock employees of Keppel Prince, Vestas or indeed Alcoa in Portland, as they are the people whose jobs and livelihoods he is putting at risk. I wonder whether he has the bottle to confront them face to face and tell them that he wants to put their livelihoods at risk. We have already heard comments made on this side of the house about how important it is to our economy to pursue these alternative energy sources and to maintain what we currently have. It would be a disaster if progress in these areas was curtailed as a result of some of the mindless opposition we are hearing from people opposite. To demonstrate how mindless that opposition has been, I look at —

The ACTING PRESIDENT

(Hon. Andrew Brideson) — Order! The honourable member's time has expired.

Hon. D. K. DRUM (North Western) — It gives me great pleasure to rise to talk on this important issue before the Parliament this afternoon. As detailed by the Leader of The Nationals in this house, Peter Hall, we will not be supporting this piece of legislation. I will be confining my comments to the process of renewable energy called gasification, which is a form of waste-to-energy production.

I am a member of the Environment and Natural Resources Committee, which is currently looking at some of the issues surrounding ethanol, biodiesels and biofuels, and some of the evidence given to the inquiry has been very interesting. As Mr Hall said in his contribution to debate, The Nationals believe the solution to the problem of greenhouse gases is very much centred around technology gains and technology advancements. We have seen the technological advancements that have taken place in a very short space of time with diesel-powered vehicles, which are now getting down to fuel consumption figures as low as 2.2 litres to 2.3 litres per 100 kilometres. That sort of figure was totally unheard of two or three years ago. We now have diesel-powered sedans that are producing better fuel efficiencies and a more economical means of transport than vehicles using liquefied petroleum gas. That has happened because of advancements in technology, and if we can keep improving our

technologies along those lines then we will make some giant strides towards diminishing the emissions that are impacting on our environment.

That leads me to the topic of gasification. I was initially introduced to the concept of gasification as an alternative to the toxic waste dump proposed for Hattah-Nowingi. I have been contacted by companies in Western Australia that produce gasification plants for sale and installation in European countries and also in various states around the United States of America. The plants will effectively burn a whole range of waste products and create a range of gases, and I will go into the actual process in a little more detail in a moment.

Not one government in Australia has been prepared to have a debate on gasification, based on the perception — which is some two decades old — that gasification plants are just another form of high-temperature incineration and that high-temperature incineration produces a whole range of dioxins and toxins that are bad for the environment. That argument has effectively banned discussion and debate about gasification plants and waste-to-energy systems.

The gasification process was developed in the 1800s to produce gas for town lighting. The process we are currently looking at is called pyrolysis, which is the chemical decomposition of a substance by heat in the absence of oxygen. This process results in various hydrocarbon gases and a carbon-like residue. The biomass and the waste is converted in a combustible chamber. The gas mixture in that gasification chamber is known as syngas, and it is the combustion of those gases that effectively lead to the ability to produce electricity.

Many benefits can be derived from using the gasification process, which effectively converts waste by-products into energy. The breaking down of the waste substance with heat creates the gases. Gasification systems address four key environmental concerns, and I would like to put them on the record. Firstly, gasification avoids landfill. This is of increasing importance because society is generating unsustainable amounts of waste to landfill. Whilst landfills are now being lined, it has been proven overseas that even the best lining system can leak, and obviously with the nasties that are present in the proposed toxic waste facilities, this could cause substantial environmental damage. Whilst landfill appears at first glance to be a cheap option, the cost balloons out substantially when all the associated factors are considered. When we factor in the cost of transporting the waste to landfill, the cost to society of the environmental damage that

will take place as a result, the diminished value of the land surrounding landfill sites — which is very much the case up at Hattah-Nowingi — and the future liability associated with the landfill, we see that the initial outlay for the building of a landfill site is dwarfed by the total cost to the community. It is very important that we look at the total cost of landfill to the community.

In relation to the proposed Hattah-Nowingi toxic waste dump, estimates calculated for the last six months, which have not been rebuked by the government, indicate that Victoria is likely to lose 270 effective full-time jobs if this toxic waste dump is built in the Sunraysia. There are also concerns that the region's clean green image for overseas markets could be substantially damaged, culminating in the loss of many tens of millions of dollars in lost exports each year.

There are also health and ecological benefits associated with gasification, as the combustion associated with the gasification process destroys various pathogens and infectious diseases that are sometimes evident in standard landfill sites.

Obviously another benefit of gasification is that it reduces harmful emissions that are sometimes released from damaged landfill sites. I have noted that should methane, for instance, ever be released from a long-term containment facility, it would have an effect 24 times greater than any CO₂ emissions released from combustion in a gasification plant. Additionally, the gaseous emission from the gasification process can be controlled and treated, unlike the gaseous emissions from a standard landfill site.

Another benefit of gasification is that because the gas created from the gasification process can be used to generate electricity, we have the ability to reduce the reliance on virgin fossil fuels which are currently used for energy production. That is where this gasification process fits neatly into the bill we are debating today. Even opponents of gasification acknowledge that the ash that remains after gasification amounts to between only 8 per cent and 15 per cent of the original volume. The reduction in the volume of the original waste via gasification, combined with the ever-decreasing quantity of original waste due to consumer awareness and improved recycling methods, will see society well on the way to dealing with the current problem.

That background information paints a very strong picture of the reasons why we should at least be debating the benefits associated with gasification. There is in fact quite a lot of opposition to gasification, and, according to all the research we have done, that

opposition is effectively based, as I have said, on some pretty old and tired arguments about the nasties that are supposedly produced by the process.

Opposition to the gasification process has denounced any form of waste destruction by thermal processes based upon perceived levels of high emission. These opponents of gasification refuse to compare gasification with other forms of energy production. So if you want to compare gasification with simply storing the waste in a toxic waste facility and doing nothing with it rather than getting rid of it, then hazardous air pollutants will be produced in getting rid of it. But if you want to compare the hazardous air pollutants that are produced by gasification to the hazardous air pollutants that are produced when we make other forms of energy then gasification is at least twice as clean in emissions as any other form of virgin fossil fuel energy production, and that is something that is very important to note in this debate.

Opponents of gasification are silent about the methane emissions from landfill sites around Australia. We all know that methane escapes from landfill sites around Australia and we all know it causes serious damage to the environment, but opponents of gasification are silent about that. They refuse to compare gasification with other forms of energy production such as fossil fuel-driven energy production.

The United States of America Environment Protection Agency has released reports that prove the waste-to-energy process is environmentally superior to any other form of fossil fuel energy production. So while it is true that hazardous air pollutants are produced from thermal waste processing, these pollutants are significantly lower than every other form of energy production fired by fossil fuels. It is also worth noting that the Greenpeace ship *Rainbow Warrior* under full power produces 100 per cent more dioxins and 3600 per cent more hazardous air pollutants than a 10 megawatt gasification system.

In the specific case of the proposed toxic waste dump at Hattah-Nowingi, the emissions of hazardous air pollutants from the diesel trucks transporting the waste 500 kilometres up to Hattah and then returning 500 kilometres back to Melbourne will be many thousands of times greater than any hazardous air pollutants emitted from any gasification plant built anywhere in the world.

We should not debate renewable energies without including gasification plants and waste-to-energy production, and we should be looking at a whole range of renewable energies which will help to alleviate the

current system. The scheme which the government has proposed needs to be reworked with a more practical model. Having seen where technology has the potential to take us in our fight to improve our environment, The Nationals believe this government has got it wrong.

Mr SCHEFFER (Monash) — The Victorian Renewable Energy bill is a critical element in Victoria's effort to reduce the production of greenhouse gases through encouraging the increased use of renewable sources of energy. The legislation was foreshadowed in the government's environmental sustainability framework and introduces practical measures to promote renewable energy generation by establishing the Victorian renewable energy target scheme.

This market-based approach will increase the production of renewable energy in Victoria and help cut greenhouse gas emissions. The scheme will encourage electricity retailers and wholesale buyers to take a quantity of their electricity from producers who derive the energy from renewable sources such as hydro, solar, wind and biogas. The scheme will also require electricity wholesale buyers to contribute towards the additional generation of renewable energy.

Hon. Richard Dalla-Riva — Acting President, I direct your attention to the state of the house.

Quorum formed.

Mr SCHEFFER — The need for a practical scheme of the kind contained in the bill is now urgent. In April last year the *Saturday Age* carried a feature article by journalist Melissa Fyfe. She reported on calculations made by the Environment Protection Authority demonstrating that Victorians lead the nation in the size of their collective ecological footprint. The EPA says that, 'The ecological footprint is a tool to measure our ecological performance. It tracks how much individuals, organisations, cities, regions and nations, or humanity as a whole consumes and compares this amount to the resources nature can provide'. A table on the EPA web site shows that compared with the United States of America whose citizens consumed even more recklessly than Victorians at 9.5 hectares per person, the United Kingdom consumed 5.4 hectares per person, Japan 4.3, Italy 3.8, China 1.5 with the world average coming in at 2.2 hectares per person.

The EPA web site also states that, 'Compared to the average Australian, Victorians use three times more natural gas and one-tenth less electricity, although the predominant fossil fuel in Victoria used for electricity is brown coal which is more emissions intensive.

Victorians also eat more seafood, drive further and our houses use more energy'. Melissa Fyfe said in her article that, 'At this rate it would take four planets to sustain our hungry lifestyle'.

The government's recently released sustainability action statement states that Victoria's environmental sustainability performance has gone backwards in some areas. It says that while Victorians are good at recycling, the amount of waste produced continues to increase and water remains a problem, as is the increase in greenhouse gas emissions. This is why the reduction of non-renewable energy consumption provided for in this bill is critically important.

The provisions contained in the bill are consistent with work being done across the world. Last year the Swedish government announced it was planning to set itself a 15-year target to become an oil free economy. Mona Sahlin, the Minister for Sustainable Development, wrote that Sweden is aiming to create the conditions necessary to break her country's dependence on fossil fuels by 2020. She said that being free of the need for fossil fuels would shield Sweden from the dramatic increases in oil prices which have trebled since 1996.

The Swedes are looking at developing biofuels as well as wind and wave power. The Swedes are investing in renewable energy research, giving tax incentives to those using fuels that are free of carbon dioxide, exempting drivers of fuel-efficient vehicles from paying their congestion tax, increasing energy taxes while reducing payroll tax, funding local governments to research climate change and investing in new sustainable technologies. They have also set 70 national indicators to measure progress. These approaches sound very familiar to us, and the target of being an oil-free economy in 15 years is admirable. Of course Sweden has less than half the population of Australia, is a fraction of the geographic size and is not a federation, all of which makes the implementation of reform a whole lot easier. Nevertheless the vision and determination is inspiring.

There is a debate about biofuels — ethanol and biodiesel. The ABC's science news online ran a story late last year saying that not everyone agrees that biofuels are the magic bullet alternative to fossil fuel.

The web site's article reports on the findings of Robert Niven, who is an environmental engineer and pollution expert at the University of New South Wales. He is quoted as saying that ethanol:

produces higher volatile emissions through evaporation and more nitrogen oxide emissions compared with fossil fuels.

The article continues:

Together these produce photochemical smog, or ground level ozone, the cause of the 'brown haze' that sometimes shrouds Australia's most populous city Sydney.

CSIRO low emissions transport leader Dr David Lamb is quoted in the same ABC article as saying:

Ethanol may help society 'escape from the tyranny of oil', but its benefits in terms of reducing greenhouse gas emissions, in particular carbon dioxide (CO₂), are small in the scheme of things.

While Robert Niven says that biodiesel is 'less of a problem' than ethanol, British environmental commentator, George Monbiot, wrote in the *Guardian* last December that biodiesel has considerable negative impacts that make it worse than fossil fuel. Monbiot believes that the only real way of achieving genuine environmental sustainability is to reduce demand. He does not believe in what he calls 'techno-fixes' and believes it is futile to try to meet the ever-increasing demand for energy.

Monbiot's main worry about biofuel is that it will set up a competition for arable food-producing land that would and should be used for food production, and that the industry 'has accidentally invented the world's most carbon-intensive fuel'. Monbiot does not say that biofuels themselves contribute more to greenhouse gas emission than fossil fuels but that the deforestation and burn-offs to clear land for palm oil production in Malaysia, Indonesia and Nigeria, for instance, release high levels of carbon dioxide into the atmosphere. Monbiot believes that we should be reducing the demand for travel — to take another example — rather than simply finding new supplies of energy to exploit.

The Victorian sustainability action statement takes on board the critical issue of reducing demand — of reducing our environmental footprint. Melbourne 2030 and the urban growth boundary encourage medium-density urban environments, reducing the consumption associated with more and more greenfield development and the consequent rollout of services that in turn places further pressure on the environment.

Smart metering is another way of reducing demand, because energy consumers will know exactly how much energy they use and what it costs. This will enable them to reduce power demands in peak periods. The statement says that the system could be used for future tariff pricing structures that reward people for saving energy. Similarly, large energy users will be required to put together plans for energy, water and waste reduction.

The key driver of renewable energy development in Victoria has been the commonwealth's mandatory renewable energy target (MRET) scheme. MRET requires electricity retailers and other large electricity buyers to collectively source an additional quantity of electricity from renewable sources by 2010. Failure to achieve the targets will attract a tax. Tradeable renewable energy certificates are created on the basis of eligible renewable energy that has been generated.

The Victorian renewable energy target (VRET) scheme, introduced in the present bill, is necessary because of the commonwealth government's decision to cap the target, a decision it has made believing that increasing it could not be economically justified. The Victorian government has argued to the contrary, that the target should be dramatically increased to give the Australian renewable energy industry support to compete internationally.

The introduction of VRET is necessary to fill the void created by the commonwealth's failure to extend MRET. The provisions of the bill will enable the renewable energy target to be lifted from the current 4 per cent up to 10 per cent by 2016. As well, the provisions of the bill are estimated to deliver more than 27 million tonnes of greenhouse gas abatement by 2030, up to \$2 billion of new investment in renewable energy projects over the next 10 years and up to 2200 new jobs in the renewable energy industry — and most of these will be in provincial Victoria.

The technical issues relating to energy and the environment are complex, and the political and economic implications of such policies warrant careful consideration. But it is abundantly clear that governments should do everything in their power to ensure that renewable energy technologies are supported. I commend the bill to the house.

Hon. RICHARD DALLA-RIVA (East Yarra) — I am pleased to rise on behalf of the Liberal Party to make my contribution to debate on the bill before the house. I indicate that the state opposition will be opposing this bill. We see this as another example of a form of taxation on the people of Victoria. I think it is important to put it in that context. We have just seen the National Australia Bank's verdict on the Victorian economy. The bank has classed the economy now as fragile. We now face a very dangerous position in Victoria where we have had what could be classed as relatively prosperous years, which this government has squandered.

Now before us is this legislation which will put further pressure on businesses and on the economy in Victoria.

We know that Labor has an appalling track record of financial mismanagement. We know that this is a government that has been keen on spending taxpayers money over seven years and on telling everyone how great it is, but we also know that it does not deliver. We could talk about the farce rail project that cost over \$1 billion when it was intended to cost \$80 million.

The legislation before the house is intended to add something in the vicinity of \$2.112 billion that will have to be absorbed by the Victorian economy and by consumers and businesses alike. That is a frightful position to be in when we have verdicts coming from organisations such as the National Australia Bank saying that Victoria's economy is fragile.

There has also been the recent survey of business confidence across the Victorian industry, including most parts of the manufacturing industry — for which I have shadow responsibility — as well as the retail and wholesale industries. Just last week the Australian Bureau of Statistics released the June quarter national accounts figures which showed that under Labor, public sector investment had dipped, while low private investment and weak exports have dragged Victoria's economic performance to well below the national average.

I will give members an example. Private sector investment in Victoria rose by only 0.5 per cent over the year. How does that compare nationally? Nationally, the figure was 6.4 per cent. What has the government done? It has now introduced a piece of legislation which is going to further screw down investment opportunities in this state. Members should be under no illusion, Victoria is a significant manufacturing state.

Mr Viney interjected.

Hon. RICHARD DALLA-RIVA — I advise Mr Viney that it relies substantially on the use of electricity to supply its services right across the world. When you add \$2.112 billion over the life of this scheme businesses are going to say, 'Goodbye Victoria', and, 'Hello New South Wales, hello Queensland, hello South Australia and hello Western Australia', which is what they are already doing. The government has introduced a piece of legislation that is essentially designed to grab the Greens vote. That is what it is about. This is about ensuring the Greens vote is supported and gives Labor its preferences at the next state election. The government is prepared to sacrifice the thousands of jobs that will be lost — and there will be thousands of jobs lost.

Access Economics, which did a report on the Victorian renewable energy target (VRET) scheme, said the scheme would push the price of electricity in Victoria up to \$3.79 per megawatt hour, meaning a 5 per cent rise in the cost of electricity for Victorian consumers and business. If members opposite understood exactly what happens in the manufacturing base, they would know that in motor vehicle manufacturing, for example, continual savings are expected to be made. A 3 per cent reduction in the cost of production of a particular item is expected from the first year to the next and a further 3 per cent reduction in subsequent years. It will be pretty hard for manufacturers and the economy to continually absorb the 5 per cent increase in costs that is expected under the scheme.

As I said before, the report also says it is estimated that the scheme will cost Victorians more than \$2 billion over its life. It also says it will trim the gross state product of Victoria by \$106 million by 2016 and by up to \$829 million over the following 10 years of its operation. The other frightening fact is that the report says the VRET scheme will impact on Victorian employment over the short to medium term, peaking at a loss of 1400 full-time equivalent jobs by the year 2010. This is not good news for Victoria. I understand the sentiments that have been expressed in the debate about ensuring sustainability and ensuring that we do not continue to pollute with greenhouse gases.

Mr Viney — Encouraging it.

Hon. RICHARD DALLA-RIVA — But let me point something out to Mr Viney about his government's lack of capacity to understand that. Hazelwood power station should have been closed, but as I understand it the government has now deferred that closure and is allowing it to continue to operate until 2031. For those who do not know, the Hazelwood power station is the highest polluting power station in Australia — and it is located here in Victoria. We have a government that could do something about it, but it is doing absolutely nothing. We have this tokenism about the VRET scheme and about the wind farms, but meanwhile Hazelwood power station is polluting the environment.

To put it into some context, for every megawatt of electricity the power station produces, it produces 1.54 tonnes of greenhouse gas. A more efficient power station produces 1.2 tonnes of greenhouse gas. A gas-fired plant produces 0.45 tonnes of greenhouse gas. I will turn to something else I found in my research, which I thought would be interesting to mention to put the debate into some context and would show the ludicrousness of the impost the government is

proposing to put on Victorian manufacturers and the Victorian economy. My understanding is that in Australia if every household replaced just one 75-watt globe with a more efficient globe that would save more energy per year than is generated by the whole of the Molonglo Ridge wind farms. I looked that up to see what it was about and found that 60, 125-metre towers are being put in place —

Mr Viney — Maybe we should do both.

Hon. RICHARD DALLA-RIVA — Maybe we should do both, but I do not see this government doing anything about ensuring more energy savings. Instead the government is just lumbering 1900 public servants into a building that is probably churning up more energy than the whole VRET scheme will save. It has just loaded them all up there. It has empty buildings over here. It has no idea. What it is doing is just proposing to dump down on businesses in Victoria, which means a \$2 billion transfer across the businesses.

Mr Viney interjected.

Hon. RICHARD DALLA-RIVA — The government does not care about the environment. What it cares about is its Greens votes. It is about getting preferences for the Greens votes. It should be bringing in a policy on what it is proposing to do with Hazelwood. What is it doing about delivering more efficient energy use? The other thing that fascinates me is that we in Victoria are trying to deal with greenhouse gas emissions while to the north we have a couple of communist comrades, Vietnam and China, which are churning out greenhouse gas like you have never seen.

Mr Viney interjected.

Hon. RICHARD DALLA-RIVA — They are absolutely, Comrade! They are churning it out.

Mr Viney — Look, there are reds everywhere.

Hon. RICHARD DALLA-RIVA — There are some reds under the bed. But in Australia we have a ratio of one car per 5 persons whereas in China there is one car per 500 persons. The way that China is moving in developing its economy, the government should be more worried about it and other developing countries and their greenhouse gas emissions. In the next communist meeting Mr Viney has he should be talking to his communist mates up in China about reducing greenhouse gas emissions there.

Mr Viney interjected.

Hon. RICHARD DALLA-RIVA — No, it is not, because it is a fact that Victoria accounts for a very, very small amount of the overall greenhouse emissions in the world. What the government is proposing to do is send every opportunity for business investment out of Victoria and drive down the economy. That is the connection I am trying to get through Mr Viney's thick head so he actually understands what I am getting at. It is about Greens preferences and ensuring that the government looks after its Greens mates so that it can actually work with them in here. This is not about real reductions in greenhouse gas emissions. We still have the most polluting power station in Australia, and this government has done nothing about it.

Honourable members interjecting.

Hon. RICHARD DALLA-RIVA — What are you going to do about Hazelwood? Nothing! What are you going to do about energy efficiency and savings? Nothing!

But what are you going to do? The government is going to screw down businesses and screw down the economy. I have already said in my introduction that Victoria's economy is fragile, and we are at grave risk of going back to the days of the Guilty Party. That is what worries me. We are rushing through legislation on this matter which is ill thought out and has no logic attached to why it is being done when there are other opportunities for energy savings in Victoria. What the government is doing is taking the state down the road to ruin.

The manufacturing and industry base in Victoria is one of the things we have held strongly, because we have a strong energy base that supplies cheap energy to that manufacturing base. When you start to screw them down they will make a business decision that in the longer term will impact on the economy of this state. Mr Viney may say that is not true, but I will tell him that will happen. The reality is that that is why we are opposing the bill and that is why we are also giving notice that we will repeal it. So those people proposing to develop wind farms need to be put on notice that the Liberal Party in government will look at ways of clawing this back and look at other opportunities and other ways of saving energy, not through the ill-conceived ideas from this mob across the chamber.

Ms ROMANES (Melbourne) — It is very, very clear that we would not be debating this bill in the house today if Prime Minister John Howard had not withdrawn support for the national mandated renewable energy target (MRET) that was in place previously. It is a direct result of the myopic federal government, which

has withdrawn its support for the MRET program, that the Victorian government is putting before the Victorian Parliament at this time a bill for a Victorian renewable energy target (VRET) scheme.

As other members have said, the proposed scheme will require, as the national program had, 10 per cent of energy to be sourced from renewable sources such as wind, solar or biomass. I emphasise that, despite even a favourable evaluation of the mandatory renewable energy target scheme, the Prime Minister withdrew support for ideological and short-sighted reasons and has left a large gap in the energy sector in this country and this state. It is the Bracks government's preference that we be part of a national scheme or part of a scheme developed in conjunction with other states, but at this time we will not walk away from the leadership required to meet the challenges of climate change. Victoria is showing leadership under the Premier in providing incentives to change the energy mix in this state away from fossil fuels.

The Minister for Energy Industries has been working on the development of the Victorian renewable energy target scheme for the last few months in conjunction with industry. This program is now embedded in the bill we are dealing with today. No-one is saying that this is a complete solution, but it is a step in the right direction. It is Victoria showing leadership and meeting one of the major challenges facing Victoria, Australia and the world in the 21st century — that is, the growth in greenhouse gases.

I do not think there are many people, apart from of the Prime Minister, who are saying that climate change as a result of the growth of greenhouse gases is not a major problem. We are seeing that climate change is having a direct impact on the weather, and we are seeing some extreme weather events and the effect that is having most markedly on water. This morning we dealt with a motion moved by The Nationals highlighting the water crisis we are facing in Victoria, Australia and the world, and the fact that our reservoirs are low and we have to look for other solutions.

The Nationals, who put forward that motion, take their usual negative and divisive approach. It is notable that they, along with the Liberal opposition, are opposing the bill. This morning Mr Hall said that the Victorian government should be doing more about recycling, and then he proceeded to misrepresent the idea of recycling water from the eastern treatment plant to the Latrobe Valley for industrial purposes as recycling Melbourne's effluent. We have a negative, divisive approach that aims to divide country Victoria from metropolitan Melbourne. The Nationals continue to take a divisive,

negative and short-sighted approach, along with the Liberal opposition. By not supporting this legislation the opposition is turning its back on one of the major problems that we face in the world.

Climate change is the greatest threat to our beautiful coastlines, our alpine regions and our agricultural regions. It is even a great threat to the orange-bellied parrot, because climate change will destroy its very habitat. The orange-bellied parrot recovery team has made it clear in what it has said and written that whether the wind farms be on King Island or at Bald Hills the orange-bellied parrot can coexist with them but will disappear if its habitat is destroyed. That is one of the costs of climate change. We will see enormous changes across the natural environment in Victoria and Australia.

As Mr Olexander said, there will be an enormous economic cost with climate change. We cannot ignore the potential impacts in those areas. It is not good enough for the opposition to take this narrow myopic, arrogant, sneering position directed at people and at governments that want to take action to reduce greenhouse gases. Action is part of an international response to a global threat. This is seen to be a major issue across the world, and we have to do our part in beginning to tackle it. As I said before, it is not about solving the problem overnight, it is about beginning to take a step in the right direction.

The latest newsletter from Environment Victoria highlights what can be achieved by individuals and governments when they begin to take such action. That organisation draws attention on the second page of its July–August newsletter to the initiatives under which solar power has grown markedly. Environment Victoria gives an example of how solar power has grown by over 60 per cent in the last year and says that there are enough wind farms globally to wipe out over 36 Hazelwood power stations. That is not insignificant, knowing what the impact is of a power station like Hazelwood and its emissions.

In 1998 Australia and Germany had about the same amount of installed solar energy, but because Germany implemented laws that have provided incentives for this clean energy source there is now a difference of more than 114 times in Germany's favour. They dwarf our solar sector by that magnitude. We employ about 1200 people in our solar industry and Germany employs over 30 000. Environment Victoria states:

International experience has demonstrated that once governments mandate targets, industry adapts. The development of this vibrant clean-energy economy will benefit a business and the environment.

I contrast this with the Honourable Philip Davis's point yesterday, when he made the comment that there is no point in taking unilateral action at a state level without working out where it fits into a global context. That echoes the view the former Kennett government took when it reduced funding for sustainable energy programs, recycling and environment.

We know the reality is that in the global context we are all in this together. We have heard from scientists who visited Parliament House at the invitation of the Speaker in the other place to tell us more about the effects of global warming and likely scenarios for the future. They are grim. People want to take action to find ways to change the energy mix so that it is not so heavily weighted towards fossil fuels. We know that every single megawatt of electricity that is produced from wind means that we do not have to obtain that energy from gas-fired turbines, from our scarce water resources being used for hydro-electric power or from imported electricity produced by black-coal power stations in New South Wales and Queensland.

Ninety five per cent of Victorians support policies to increase renewable energy. I expect a similar number of them understand that climate change is a real issue and that governments across the world should be taking steps to address it. If you look at what is happening in areas like South Gippsland, despite the bullying by anti-wind energy groups and vandals damaging two wind-monitoring towers at Bald Hills at a cost of \$100 000 recently — —

Hon. D. McL. Davis — Even the Greens are now opposed to it.

Ms ROMANES — There are others who are beginning to find a voice. I would like to quote from a recent letter to the editor of the *Great Southern Star* in the Leongatha region. The letter from Christopher Nagle states:

Mr Baillieu was reported asking a Grantville meeting after a rousing anti-wind farm speech, 'Hands up who loves Wonthaggi wind turbines' and, oops, an eager majority did just that. Ted isn't the only one to have completely misread community sentiments on wind farms.

The Greens —

and this answers Mr Davis's interjection —

have been equally guilty of this. Both Louis Delacretaz and Jackie Dargaville speak as if there is a substantial reservoir of community opposition to wind farms.

Even if this were true, as a Green myself, I would have expected from them a less populist and more principled

position on supporting anything that even remotely threatened to save our collective environmental necks.

This gentleman who declares himself a member of the Greens goes on to talk about how the Coastal Guardians group has hijacked and manipulated the debate and how some politicians have fallen right in behind them. I quote again:

The only beneficiaries of the myth of community division over wind farms are a few myopic not-in-my-backyarders and the hydrocarbon polluters who dictate Australian government energy policy.

As I said, that comes from Christopher Nagle at Grantville.

Another letter from Ms Wilma Western of Leongatha that was sent to the South Gippsland *Sentinel Times* says something a bit similar. She asks:

Why are the Tarwin Valley Coastal Guardians issuing media releases attacking the Mount Gellibrand wind farm project and the Bracks government's renewable energy policies per se? (*Sentinel Times*, August 29)

Do the local members endorse Tim Le Roy's statements on their behalf? Last I heard, local farmer members of this group stated they were in favour of wind farms in less closely settled districts where the community wanted them. The Mount Gellibrand project fits those requirements.

It is time Tim Le Roy came clean. He first came into local prominence as a spokesperson for those who opposed the Bald Hills project for local reasons.

Now he seems to be travelling to panel hearings across Victoria, writing submissions and media releases on projects far and wide. He attacks subsidies for wind power, but will he attack the handouts for 'clean coal'? Will Mr Le Roy agree that clean coal power, if and when it eventuates, will cost more?

...

We have some idea who supports the candidates standing for various political parties. How credible is it to claim that Tim Le Roy merely speaks for a small community group in South Gippsland?

This is a very important bill about the important global issue of energy use and the need to reduce our footprint on the earth through reducing our use of energy in this developed part of the world and also to look for other sources of renewable energy.

Hon. D. McL. DAVIS (East Yarra) — I am pleased to rise to make a contribution to the debate on the Victorian Renewable Energy Bill. It is an important debate and one the community needs to have. I say at the outset that I accept the issues surrounding greenhouse. I accept that carbon dioxide is rising in our atmosphere and that it needs to be dealt with as a matter of real urgency. The state government, and indeed all

governments, local councils, communities and individuals have responsibilities collectively and individually to take proper steps to deal with what is perhaps the most significant environmental issue we face.

There is no doubt about the impact of climate change on biodiversity and water and sea levels. There is significant debate about the scale of many of these issues, but I take it as a given at the beginning of this debate that these issues should be addressed and I strongly support measures to address them. The question before the house today, though, is the Victorian Renewable Energy Bill and whether it seriously addresses the issues of greenhouse in an effective way. It is that question about which I have concerns. The fact is that this bill will ensure there is a significant subsidy from all Victorian consumers, both domestic and industrial, across to a very small band of energy suppliers. The fundamental problem with this bill is it will not significantly address Victoria's greenhouse issues.

Mr Viney — And how are you going to do it?

Hon. D. McL. DAVIS — Mr Viney will hear in due course. I want to get the background of this very clear.

Mr Viney — You have not said a positive thing in the entire debate.

Hon. D. McL. DAVIS — I have said a number of positive things actually. I have been very clear about this.

The ACTING PRESIDENT

(Hon. J. G. Hilton) — Order! Mr Davis, through the Chair.

Hon. D. McL. DAVIS — Of course, Acting President. I accept your point.

I make the point that this bill provides a cross-subsidy to certain types of renewable energy. The house and the community should read 'wind farms' from this bill and wind farms almost alone. There will be very little assistance on any significant scale to other renewable energy sources. A large part of this significant cross-subsidy will be chewed up as a subsidy to certain wind farm groups that at the moment are moving around the state, snapping up land and putting proposals that often are inappropriate and will do little to address the greenhouse issues.

The fact is that Victoria has a significant challenge around the issues of its reliance on brown coal. The truth is that Victoria has had an historical economic

advantage through the presence of brown coal that has given us a very cheap source of energy. Brown coal is of course a dirty source of energy that puts out a large amount of carbon dioxide and the community will have to deal constructively with it in the next period. There is a need to move with pace to deal with the issues. The Prime Minister has set out a number of mechanisms by which technology solutions can be brought to bear. I certainly support the approach of using technology to assist in meeting the challenges that Victoria faces. It is of course true that the technology solutions will take time to come into place. In the interim we need to do a great deal to address the greenhouse issue at a national and state level.

Mr Viney interjected.

Hon. D. McL. DAVIS — Mr Viney asks how will it be done. I suggest that the major approach in the short term in Victoria should be focused on demand management strategies. The government has had seven years to do that and it has not done it very well. That is the problem: over seven years we have seen greenhouse output in this state go up and up and up. Now Victoria is one of the greatest greenhouse polluters and it has got worse under Mr Viney's government. It was his government, I hasten to add, that signed the contract with Hazelwood. It was his government that failed to get proper outputs and results out of the contract signed with Hazelwood. I understand that a cabinet vote —

Mr Gavin Jennings interjected.

Hon. D. McL. DAVIS — Mr Jennings was part of the cabinet. I would be very interested to know which side of the ledger he fell on when the vote was taken in cabinet. As I understand it, it was a very close vote.

Mr Gavin Jennings — What do your instincts say about me?

Hon. D. McL. DAVIS — I know 60L, where your office is. I have a very strong feeling about where Mr Jennings might have been in the cabinet vote on whether the Hazelwood power station would get the renewed contract with very little countervailing arrangement by the state government. This state government stands condemned on its failure to provide a proper arrangement for access to the coal seams. When signing that contract the state government should have provided a set of arrangements that would see a more substantial improvement in the output than it achieved.

Mr Viney interjected.

Hon. D. McL. DAVIS — No, I did not say that at all. I have said that what should have occurred is a proper negotiation that got some serious outcome out of Hazelwood before it got access to a community resource — that is, the coal seams in the Latrobe Valley.

Mr Viney — That's what we did!

Hon. D. McL. DAVIS — You did not, and no-one believes you did, Mr Viney. I know Mr Viney was not part of the cabinet decision making, as Mr Jennings was — although I am not so sure how Mr Viney would have voted on the cabinet decision.

In this next period demand management must be the focus. The government must be focused on reducing demand in many places, both industrially and domestically. Co-generation arrangements must be put in place. There must be options that use additional gas and there must be a focus on other renewable energy sources and support for those renewable energy sources that will actually achieve something. In my view this government is beholden to wind farm operators. I believe wind does have some place in the equation but it is a place that is totally blown out of proportion — if you will excuse my pun — in the approach that the government is adopting in the Victorian Renewable Energy Bill.

Of the two major challenges that we face one is the base-load power arrangements. Is wind a useful source of base-load power replacement?

Hon. E. G. Stoney — No.

Hon. D. McL. DAVIS — The answer is no. The other focus is peak demand. Is wind a useful source of peak demand replacement?

Hon. E. G. Stoney — No.

Hon. D. McL. DAVIS — The answer is no. Every year in the summer on the days of highest demand, when the temperature is over 40 degrees and the airconditioners are going, we hit new peaks.

Hon. J. M. McQuilten interjected.

Hon. D. McL. DAVIS — Solar has a significant role, as Mr McQuilten says. In the long run solar is in many ways more promising as a replacement source for peak-load power than is wind.

Mr Viney — That's why it's included in this bill!

Hon. D. McL. DAVIS — I have to say that the money is going to go to the wind farmers, Mr Viney.

They are the ones in place and who will snap up the cash. They will be successful in scooping up the certificates issued under this bill. That is what will happen, as Mr Viney knows. I understand that for all sorts of reasons this government is very close to the wind industry. The government has not focused on the broader scope of things that it needs to focus on. I am conscious I have a limited amount of time today and I need to say something about wind.

Earlier in the debate Ms Romanes made comments about Tarwin Lower and the coastal guardians down there. They have done a fine job in trying to protect their community from an imposition that is simply unacceptable. The visual impact on that area of the coast, along with other areas of the Victorian coastline, is significant. I do not believe that the Victorian community supports that impact. As I have said, there is a place for wind farms but they should be located with community, including council, support and they should not be foisted on communities, as is occurring around the state. Ms Romanes took a swipe at the Tarwin Lower coastal guardians, which was inappropriate. It was pleasing to see the Greens finally come in to support that group and community in their fight to stop the visual aspects of the coastal areas being spoilt by wind farms. The government seeks to place wind farms on other coastal areas where they will have a high impact.

The government needs to think more carefully about inland areas that are also significantly impacted upon. Just a week or so ago I was fortunate to visit the McHarg Ranges, a group of impressive hills. Many who have visited them have come to the same conclusion as I have, that it would be inappropriate to place wind farms in that area of the state. This is part of the problem: the state government has not put in place a proper regime that enables arrangements to the benefit of the community to be arrived at.

Ms Romanes also mentioned the Mount Gellibrand wind farm proposal, which has community support. I do not deny for 1 second that it meets that test.

Mr Viney — You're mixing your shadow portfolios of planning and environment.

Hon. D. McL. DAVIS — No, they go hand in hand, as Mr Viney knows. It is impossible to see proper planning arrangements — —

Mr Viney interjected.

Hon. D. McL. DAVIS — The planning arrangements also have requirements in terms of environment effects statements and so forth. The

planning panel that met to consider the environment effects statement on the Mount Gellibrand wind farm received a submission from the Department of Sustainability and Environment. It was one of the last honest submissions from that department before the clamps came on. It is interesting to read that submission about potential impacts of wind farms on brolgas in the south-west of the state. In the short time I have now, it is worth putting some of the document submitted by the department on the record. As I said, this will be one of the last honest submissions by the department because many of the people in the department who have knowledge and significant concerns about wind farms and their impact on certain areas are increasingly being clamped and pressured.

At point 13 the department makes the following comments:

The department is of the view that the proposal may directly impact on the local brolga population in two ways. Firstly, the proposal may result in a loss of useable foraging habitat and a reluctance of brolga to forage ... secondly, and in the department's view more importantly, the proposal will increase the likelihood of brolgas being killed or injured as a consequence of collision with a turbine during flight.

It goes on to say at point 14:

While the impact of the presence of the turbines on brolga behaviour, feeding and breeding activity is unknown, it is reasonable to assume that in the short term the presence of turning turbines will dissuade birds from wind farm sites.

At point 15 it states:

The department reports that there is no consistently gathered, accurate data on the scale and range of movements of the brolgas ...

Point 17 deals with the 600 to 650 individual brolgas in south-west Victoria, a distinct and important breeding population that has not been impacted upon by migratory birds in the way that other brolga groups in this state have been. This distinct population is an important reservoir. I quote from the conclusion of the Department of Sustainability and Environment document:

The department would like to emphasise the uncertainty that surrounds the information available in respect of brolga numbers ...

The conclusion says the impacts from the proposed wind farm are potentially significant. It goes on to say:

Active conservation measures conducted away from the wind farm sites could result in enhanced recruitment levels ...

But it says in conclusion:

It is appropriate to consider the cumulative impact of multiple wind farms on regional biodiversity. While the risk posed by the current proposal may be proved to be acceptable —

and that is a question; it leaves that open —

future wind farms within the known range of the brolga in SW Victoria are likely to add to that risk.

It is this cumulative risk that needs to be dealt with as wind farms proliferate around the state. In particular there have to be proper processes in place if this Victorian Renewable Energy Bill goes forward. In my view it would have a significant impact as it drives wind farm investment with very little that is favourable for the state in terms of greenhouse gas output.

Hon. C. A. STRONG (Higinbotham) — The second-reading debate on the Victorian Renewable Energy Bill has been very interesting. I have been listening to much of it here and in my office, and many interesting issues have been raised.

First of all we need to ask why we are doing this. I think it is because we need to reduce greenhouse gas emissions. There is an acceptance that there is a problem with greenhouse gases and global warming — I certainly accept this fact — and therefore it is necessary for us to act. I know there are some greenhouse sceptics around, but I feel the weight of scientific evidence makes it clear that the risks of not acting to contain greenhouse gas emissions are too great. I therefore cannot fault this bill on its concept of moving to reduce greenhouse gases. That is something we must do; as I said, the risks are too great to do otherwise.

A lot of the debate has revolved around the cost of replacement energy under this scheme. There has been a lot of talk about the extra cost of delivering electricity by wind and other alternative energy generation methods. We have to briefly reflect on what wind energy is, as a lot of the debate has been about wind energy.

We all know that wind energy has been around for several thousands of years. For many years the ancient Romans and Greeks et cetera used wind energy. Why do we not use wind energy as much as it was used in those days, when it was the only source of energy? The reason is that there are cheaper sources — this dirty brown coal we burn that makes Victorians the worst greenhouse gas polluters in the world per head of population. If we want to go away from that, it will cost us money, whatever way we look at it. The only reason people will do that involves an element of coercion.

The government says, 'You must reduce greenhouse gases, you must go to some other form of energy that will cost more, and that cost will be borne by other consumers for the good of the planet'. Once again I cannot fault the bill on that score.

The concept behind the Victorian energy renewable target (VRET) scheme has been around in many countries for many years. A lot of the wind energy generated in Europe and America has come from VRET-type schemes. This approach of regulation and coercion to force people to move away from a cheaper alternative is necessary. Do not forget that all the alternatives will cost money. We have heard about carbon sequestration. That is going to cost a damn lot of money; there is no question about that. We have talked about solar and gas — that costs a lot of money. All these alternatives to the cheaper source will cost money. The arguments based on this costing money are rather fatuous, because it does not matter how we go; as we clean up energy an extra cost will be borne by society. To argue against this bill on the basis of cost is not valid.

If you look at the bang for the buck, you will find there are better bangs for the buck than wind power. In terms of making a significant greenhouse saving you will be better off using gas, because gas generation produces a lot less greenhouse gas than the alternative and also produces a lot more energy in a stable, ongoing situation.

If I have a problem with this bill it is that it is not wide enough. It is picking winners in a way. It forces or encourages people to go to alternative energy — wind, solar and so on — which is a positive thing and something we must do, but offers no incentive for people to go to gas and other greenhouse-friendly forms of electricity generation. That is the unfortunate thing about the legislation, that it is picking winners. The bill would be much better improved if it were broadened to say that there is a reward or an incentive to move away from the brown coal generation we now have to more environmentally friendly versions.

The bill is heading in the right direction and I generally support the thrust of where it is trying to take us in every way, but it has that small fault that it tries to pick winners. All of the alternatives will cost money, and we should let industry and science work out the best solution for the dollar rather than that it be directed to only one. There should be significant rewards for people who want to go to carbon sequestration; likewise, there should be similar rewards, like in the VRET scheme, for people who want to go to gas. This

legislation has the bones of something that is extremely positive.

There is something else I want to quickly comment on. There has been a lot of talk about how wind generation in particular will not save greenhouse gas emissions. That is just simply wrong. If we have a significant amount of wind power out there it will — without doubt and without question — reduce greenhouse gases. There is no question about that, and I think people who argue the reverse are just plain wrong.

A more open question is about the extent to which it will reduce the investment in conventional forms of energy, because you still need a significant investment in base load or gas for when the wind is not blowing. But while the wind is there and is generating, it will reduce greenhouse gases, and that will be positive. That is simply another cost that would be borne by electricity consumers for the benefit of having cleaner energy. But that is something we simply must face up to doing.

I would like to put on record my strong belief that those who say that wind and other alternative energy sources will have no effect on greenhouse gas emissions are plain wrong. They need to look at the facts.

In winding up I must say that I have a great deal of sympathy for the direction in which this bill takes us. It is inevitable that we must spend more money and that electricity and other energy prices will go up as a consequence of our trying to reduce greenhouse gases.

This bill goes in the right direction. My concern is that it is picking winners and concentrating on just a few technologies, when there are other technologies out there. They may or may not cost more, we do not really know, but let the industry, science and the system work that out by rewarding them equally and letting the VRET scheme take in these other alternative energy sources, particularly gas. There has to be a significant incentive for generators to switch over to gas, because that is the energy source available to us today that will give us the most rapid and biggest saving in greenhouse gases.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — It is with a sense of pride that I enter the debate, in the address-in-reply, on the renewable energy legislation.

I begin my contribution by outlining what I think is the Labor Party philosophy that is driving this initiative, along with a range of other initiatives Labor has taken with such things as energy efficiency, demand management and a whole range of other issues to address climate change. The philosophy can be

encapsulated in a single phrase. That phrase is: we do not believe that we inherit the earth from our forefathers and can therefore do with it as we wish; rather, we believe that we have the earth on loan from our children and therefore have an obligation to pass it on in an appropriate state.

This is the driving philosophy and the key difference between the government and the opposition parties. The opposition parties believe in the right to rule and to do anything with the inheritance that has been passed on to them. That is their position — it is theirs to be used, irrespective of the future. The government does not believe that. We think we have an obligation to our children to pass on to them an earth which is inhabitable for their children as well.

In the limited time I have I want to go to a few points made by the Leader of the Opposition. Perhaps I should start by saying that the Access Economics report the opposition leader keeps quoting is a completely irrelevant report. He knows it is, and it is dishonest to keep quoting a report which looks at a completely different model to the one that has been developed.

The McLennan Magasanik Associates (MMA) report, on which we rely, is relevant to the program being put up. It talks about a dollar per month for average consumers. It also talks about the creation of 2200 jobs, of \$2 billion of new investment, and of saving 27 million tonnes of greenhouse gases. That is the — —

Hon. Philip Davis — Is that the only modelling you did?

Hon. T. C. THEOPHANOUS — I noticed that in his speech the opposition leader at least did not make reference once again to his fictional claim that the Victorian renewable energy target (VRET) scheme would cost \$80 per household. He knows it is not true. The MMA report backs what we have been saying in this area — the scheme will deliver significant reductions in greenhouse gases. Another MMA report, despite what the opposition has said, has concluded that for every megawatt hour of wind energy that is produced, around a tonne of greenhouse gas is saved. That report puts paid to the claims by the Leader of the Opposition that there is no reduction in greenhouse gases as a result of bringing on board renewable energy.

The Leader of the Opposition quoted from the Australian Bureau of Agricultural and Resource Economics report. I should say that, as we now know, there are two ABARE reports. One ABARE report put the impact of doing nothing on greenhouse gases very

starkly. It said that if we do nothing and continue along the same trajectory, greenhouse gases will be 142 per cent more than they were at the 2001 level. That is what we face with a do-nothing scenario. Imagine leaving that to our children; just imagine it.

That is why we do not believe that taking no action is an alternative. Let me go to the fact that there was a second ABARE report which made a series of other claims in relation to the economic impact of addressing climate change. It is of interest to me that there was this sudden turnaround and a second report within two weeks of the original report which made completely different claims about the impact of climate change. One can only speculate about the pressure that was put on ABARE following the first report that ABARE made in order to come up with this second report so that the Prime Minister could go out and make the outrageous claims he did. There is evidence that ABARE was nobbled following its first report, and I again note that in recent times the executive director, Brian Fisher, has decided he has had enough and has resigned from ABARE completely. That is the kind of situation that we face in this country from the Prime Minister and from this opposition.

Let me recap on the CSIRO findings. We are looking at a rise of between 2 degrees by 2030 and 6 degrees by 2070. We are looking at changes to the Great Barrier Reef, with a substantial loss of habitat and species. We can already see the pressure on our water supplies. It has been said that China and other countries should be doing something. Let me put another fact on the record. If you ask the question, 'Who is doing the greatest amount in relation to renewable energy at the moment?', the answer is China, India and the United States of America. Those are the three countries. China has a target of 20 000 megawatts, which is three times the size of the entire base load that is available in Victoria, as the target for wind energy development. It is going ahead at a rapid rate. India has a target of 5000 megawatts, and we in Australia are saying we cannot do as well on renewable energy as those two countries. That is what the Leader of the Opposition has suggested.

The business round table, which was bagged by the Leader of the Opposition, came up with what is the central point that needs to be made — that is, that if we start action in 2013 with a carbon trading scheme and move forward in relation to that scheme to achieve a 50 per cent reduction by 2050, then the cost of carbon in 2050 will be \$186 a tonne. However, if we start instead with action in 2022 the cost of carbon in 2050 becomes \$614 a tonne. That is the legacy we will leave our children. That is why I come back to what I said

right at the beginning about the philosophy which drives this initiative and the philosophy which the Labor Party brings to bear on this important issue.

I do not believe that this opposition is fit to govern this state just on the basis of its attitude to climate change. It is very clear that the opposition leader has bagged the 98 per cent of scientists who all say that climate change is occurring. He does not care about what our children will face. He goes on about VRET when he knows that VRET is a mirror image of the mandatory renewable energy target scheme, which was a policy put out by his own federal government.

The dishonesty in this and the approach of putting in danger a whole range of projects, which the opposition leader has done by claiming that the opposition would repeal this legislation, is the most unforgivable part of this. We should listen to the Prime Minister, who says that you cannot just produce something in the last three or four weeks of a campaign, that you have got to develop an alternative policy and an alternative story over a long period of time. The opposition has failed to do that.

House divided on motion:

Ayes, 22

Argondizzo, Ms	Mikakos, Ms
Broad, Ms	Mitchell, Mr
Buckingham, Mrs	Nguyen, Mr
Carbines, Ms (<i>Teller</i>)	Pullen, Mr
Darveniza, Ms (<i>Teller</i>)	Romanes, Ms
Eren, Mr	Scheffer, Mr
Hilton, Mr	Smith, Mr
Jennings, Mr	Somyurek, Mr
Lenders, Mr	Theophanous, Mr
McQuilten, Mr	Thomson, Ms
Madden, Mr	Viney, Mr

Noes, 19

Atkinson, Mr	Forwood, Mr
Baxter, Mr	Hadden, Ms
Bishop, Mr	Hall, Mr
Bowden, Mr (<i>Teller</i>)	Koch, Mr
Brideson, Mr (<i>Teller</i>)	Lovell, Ms
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr
Davis, Mr P. R.	Vogels, Mr
Drum, Mr	

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Hon. PHILIP DAVIS (Gippsland) — In rising to speak to clause 1, I want to make the observation that nothing we have heard in this debate over the last two days has done anything other than confirm that all members of this place are very attuned to the need to address questions of public policy in regard to global warming and greenhouse gas emissions. Despite all the filibustering, point scoring and partisanship which occurs in a debate like this, the fundamental issue is that we all have an obligation to take these issues seriously. I believe that without exception all members have indicated that in varying degrees they support the introduction of renewable energy and that renewable energy sources will play an increasing part in the mix of energy sources for our society. But I also believe there is a general understanding — indeed I understand the government is happy to acknowledge this — that renewable energy sources will remain a fairly minor player in the total fuel mix.

Those principles do not really undermine the position the opposition is taking in respect of this bill, which is that the bill fails as a mechanism to achieve the policy objective of the government — that is, to have a major impact upon the greenhouse gas emissions in this state or indeed in global terms.

I do not intend to reprise the debate at all, but I will say the reality is that this bill is a flawed mechanism. While I could deliberate over every clause, it is not my intention to do so. There may be other members of the house who will seek to raise matters on each of the clauses, but I intend to restrict myself principally to clause 1, and I will also ask the minister to elucidate on the basic intent of a few specific clauses.

I will outline what some of my concerns are. As I said, we see a conflict between this bill and the objectives of the government. This bill is basically an industry development bill to develop renewable energy sources, which is code for wind farms. The default certificate cost of \$43 in the context of 2007 dollar values is clearly an amount set to support the wind industry. When you do the comparators between the market price of electricity and the price of generating wind energy, that is the gap which has to be bridged to make the wind farm projects viable. As I alluded to earlier in the second-reading debate on this bill, we do not see that conflict as being beneficial in terms of achieving greenhouse gas abatement.

Hon. T. C. Theophanous — On a point of order, Chair, the Leader of the Opposition has indicated that he wishes to have a discussion in relation to clause 1 of the bill. Clause 1 relates to the purposes of the legislation, and whilst it is appropriate for questions to be put to the relevant minister in relation to the purposes of the bill, it is not a forum to give another speech indicating what the opposition believes are the flaws in the bill and in the approach of the government, and so on and so forth. The member had one hour to give a second-reading speech on the bill, and I believe what he is doing is simply using this clause in order to try to give a further speech, which is really a second-reading speech, rather than ask questions.

I further point out to you, Chair, that whilst in the past we have allowed some leeway to the opposition in relation to clause 1 of a bill, that has usually been on the basis that during discussion of clause 1 a whole range of issues that arise in later clauses would be raised and that we would give that leeway on the basis that those things would not be raised later. The opposition leader has said he wants to ask questions and make speeches in relation to clause 1 but then go on to raise specific issues in other parts and other clauses of the bill, and I think in that context he should be restricted either to asking about the purposes of the bill or to giving me an assurance, which I am prepared to accept, that this will be the only clause in this bill that will be debated.

Hon. PHILIP DAVIS — On the point of order, Chair, which was more like a speech, as I understand it the point of order the minister raised is that in some way members are restricted to only asking questions in respect to a clause, and in this case clause 1. That is not the practice of this house. A member may make some comments, or indeed may invite the minister to respond to a member's comments. As I flagged in my contribution the process of the examination of a bill in detail through the committee stage is an opportunity for matters to be clarified for the benefit of the house. I indicated that I have a limited number of matters which I intend to pursue, and I flagged that I would set out what those were at clause 1, and clearly it is open to the minister to respond at that point. If he fails to respond at that point then obviously there will have to be some detailed examination of further clauses.

The CHAIR — Order! On the point of order, the minister is correct in that clause 1 is the purpose clause, and it is incumbent on those speaking on clause 1 to address the issue of the purpose of the bill before the committee. However, in the past it has been the practice in committee stages, again as the minister and the Leader of the Opposition indicated, to provide some leeway in order to canvass a range of issues that may be

either highlighted in the purpose clause itself, or in order to facilitate an expeditious and efficient committee stage, to allow the member posing the question under clause 1 to incorporate some questions and discussion.

The minister has raised a point of order, and it is important for Mr Davis to limit his questions and comments to the purpose clause. It is not another second-reading speech and unless they facilitate the expeditious movement through the bill before the committee I ask him to keep them to the purpose clause and we will address the issues that he has indicated he wants to raise in more detail later on in the committee stage. It does not stop Mr Davis from indicating which matters he wishes to raise through this committee but I ask him not to debate them at length.

Hon. PHILIP DAVIS — Frankly I do not intend to waste the time of the house on a bill which we say is flawed. Given that the government intends to progress this bill, our view is that there are some matters which need clarification. They include the following issues. It appears to the opposition that notwithstanding the policy objectives which are stated variously to develop a renewable energy industry in this state, the regime which is being put in place can be a regime which incorporates other jurisdictions. For example, a jurisdiction like Western Australia which is not part of the national electricity market on the eastern seaboard where schemes could be adopted to satisfy the renewable energy certificate arrangements and satisfy all requirements in respect to the Victorian scheme. We do not understand how it is that the policy objective of establishing a renewable energy industry in Victoria can be assisted by that proposition.

Further, we are concerned about issues associated with the practicality of the scheme before us. Clearly there will be a requirement for the scheme to achieve its objective of a considerable additional number of wind farms, even if the minister is not willing to acknowledge that the primary purpose of this bill is to develop the wind farm industry. In practical terms that outcome will lead to a requirement for significant additional augmentation and connections to be made, and we are interested in particular as to the analysis which the government has made about the practicality of that outcome, and the implementation costs and system security so required. We are also interested in the minister's comments about the default shortfall penalty and the payment of that penalty which is determined to the consolidated fund, and whether it is the policy intention of the government for any of those funds that are so paid to meet the shortfall penalty to be repatriated to renewable energy projects.

We are also interested in the exemption provisions which relate to the government's acknowledgment that for example, Alcoa, will be exempt from the scheme. I note that the purpose of this scheme will have a significant impact on the manufacturing sector. Just a handful of companies in this state consume more than 20 per cent of the total energy production of Victoria and, apart from Alcoa, they are manufacturers like Amcor, BlueScope Steel, Boral, Coles Myer and Woolworths as retailers, General Motors, Toyota, Ford, Huntsman Chemical Corporation of Australia, the Mobil refinery, Orica, Incitec Pivot and Smorgon Steel. All of these businesses are major — —

The CHAIR — Order! I ask Mr Davis to move onto the question of the purpose of the bill.

Hon. PHILIP DAVIS — Sure. So relating my comments to the purpose of the bill, what I am seeking from the minister is a response to some of the questions that have been raised by stakeholders which appear to be deficiencies in the way the bill operates. Not taking issue with the government's stated objective and the purpose of this bill, what I am seeking is to have some clarification on those particular aspects, and the minister may well wish to respond now. Otherwise we can progressively work our way through the bill.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I am happy to respond to the issues which have been raised by the Leader of the Opposition although I cannot guarantee he will be happy with my responses. The Leader of the Opposition began his contribution on clause 1 by suggesting that somehow the opposition cares about climate change. I do not believe that is the case, and any fair-minded person who reads the speech made by the Leader of the Opposition during the second-reading debate would have to classify him as a sceptic in relation to climate change. He is a sceptic, and any fair reading of the second-reading speech would show that is the position.

The other point I make is that I do not know how a political party can debate a bill of this sort and try to suggest that it really cares about greenhouse gas emissions and climate change when it does not support a scheme such as this to do with renewable energy. It does not support an emissions trading scheme; it does not even support clean coal-type technology. The Liberal Party policy of 2002 contained absolutely no funding for that. We had never heard anything about clean coal technology until the Labor government started to work on solid proposals like the energy technology and innovation strategy, which seeks to address clean coal technology.

As a political party the Liberals may seek to make that kind of comment, but I am not prepared in this committee stage to accept that particular argument put by the Leader of the Opposition. I am prepared to accept that the opposition does not support the bill and that it intends to repeal the legislation, which is in its gift. However, that does not in any way mean that the government resiles from the reasons for this bill, which we believe is very important.

The other point I would make, since the funding of the bill has been raised by the honourable member, is to say that this scheme virtually mirrors the mandatory renewable energy target scheme set up by the federal government. That scheme was designed to deliver 9600 gigawatt hours of electricity through renewable energy. Our scheme is designed to deliver about 3300 gigawatt hours of electricity, so all the arguments the opposition has put or intends to put during this committee stage in relation to the costs on industry, manufacturing, the community, consumers and so on apply equally to the mandatory renewable energy target scheme. Ours is an identical scheme in many respects, yet we did not hear any suggestion from the opposition leader that he did not support, for those same reasons, the mandatory renewable energy target scheme. Of course as I have indicated, we believe that scheme is now non-functional from the point of view of getting projects up.

The member asked me a question about other jurisdictions. Yes, we have said that our scheme is open to the possibility of other jurisdictions with complementary kinds of schemes entering into arrangements with us that would allow us to exchange certificates across states. That is something for the future, but it is allowed for in the legislation. The member has talked about the practicality of the scheme. We think the scheme is as practical as the mandatory renewable energy target scheme and will work in the same way that scheme worked. The member asked about augmentation of the system. When the federal government adopted the mandatory renewable target scheme, it made no attempt to try and work out whether augmentation of the system was an issue. We have in fact examined this issue, and it clear to us that Victoria can move to at least 15 per cent renewable energy without having serious system management issues. So the scheme is well within the capacity of our system; it can operate with 10 per cent renewable energy.

The member asked about the default penalty. I might say that we do not have any funding sources for those funds, because it would be our hope, Chair, that we never collect a cent. We do not want to collect any money from that scheme. We want each and every

business to fulfil its obligations by bringing on new renewable energy. We do not want them simply to pay a penalty; that is the last thing we want. I might say also that we believe we have set the penalty at a level where it will be a much more commercially appropriate decision for companies to make to adopt renewable energy rather than pay a penalty. The penalty is not really designed ever to be used, and I hope that it is not.

The member asked about the exemption provisions in relation to Alcoa. I can indicate to the honourable member that, yes, Alcoa is exempted. He has agreed with me in the past that there is no other way of doing this except by the exemption of Alcoa in the years up to 2016.

Hon. Philip Davis — That is correct.

Hon. T. C. THEOPHANOUS — The fact of the matter is that the scheme runs from now until 2016. The idea that after 2016, as the tail of the scheme comes in, we would somehow impose a related penalty on Alcoa is a nonsensical idea and not one that we support. I suppose that the owners of Alcoa can decide for themselves whether the opposition, which is complaining about the exemption of Alcoa, is making the right call on that issue.

The member has asked about the impact on manufacturing and so forth. I have indicated to him that we believe the scheme is very manageable from the point of view of the additional costs on householders and on business, and we have provided figures in relation to that which show that to be the case. However, one of the things that we do not look at when considering these economic models is the economic cost of doing nothing. We talk about the jobs — 2000 jobs and a range of other things of that nature — but the cost of doing nothing on climate change is absolutely enormous. It is not good enough for people in here to say, 'We do not care — —'

Hon. Philip Davis interjected.

Hon. T. C. THEOPHANOUS — You wanted to ask the questions. The question is whether people care about what legacy we leave our children. We do care about that legacy, that is why we are acting.

Hon. PHILIP DAVIS (Gippsland) — The minister has been helpful, and that means we will be expediting the committee stage. I do want to make the point in response, though, that the minister conventionally tries to misrepresent members in this place, and he misrepresented me again just now by talking about me complaining about the exemption for Alcoa. In fact that is not the case at all. What I have been saying is that we

want some explanation about the exemption for Alcoa, because there are a large number of major manufacturers in this state who are concerned about the impact on their businesses. I am trying to clarify from the point of view of the economic profile of Victoria — the employment prospects — why it is that only Alcoa is to be exempt from the purposes of this scheme and why it is that none of those other businesses which I have mentioned, which are major energy consumers and which between them consume more than 20 per cent of the energy load in Victoria, are being considered for exemption within the policy of this bill.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — My response to Mr Davis is to say that I reject his suggestion that I misrepresent people. I believe I have fairly represented his position. In relation to his specific question, I say in response that Alcoa is the state's single biggest export earner. It has an agreement with the government which goes through until 2016. Beyond that it employs a significant number of Victorians, particularly in regional Victoria. Finally it is part of what is called the trade-exposed, energy-intensive sector on a world basis. When you put all those factors together, the government does not resile from the decision to exclude Alcoa from the Victorian renewable energy scheme. If the opposition wants to clarify that it in fact would like us in some way to include Alcoa, if that is what its suggestion is, we reject that as well.

Hon. PHILIP DAVIS (Gippsland) — I am just dwelling on the minister's last remark. I do not actually understand what he just said in conclusion and what it was he was suggesting he rejected, so I have some difficulty with it. The reality is that there are a number of significant employers in this state which employ many more people than does Alcoa and which will be affected significantly by this bill, but the minister seems to have little sympathy for that position. That point needs to be made. I think the minister has largely covered most of the issues I had intended to raise in detail in respect to most of the clauses I had intended to speak to, so I suspect that at this point I can conclude my contribution to the committee debate but for one issue, and when I have the minister's attention — —

The CHAIR — Order! Do you want to deal with it as part of the debate on clause 1?

Hon. PHILIP DAVIS — Yes, because I think I am probably done. It relates to reviews. There is provision for a review, but only one review, of the operation of the act by 31 December 2011. I wonder, given the length of operation of this act and its consequences, why the minister has not made provision for a further

review. And given that a statutory review is required — one only — is there any reason it is limited to only one review, and why is it to be held at that period in the operation of the act?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — On the first point, from the list Mr Davis read out before, I would say Alcoa is the most trade exposed of all the companies that he listed, and that is why it has been exempted. It also has a contract, and that is another reason. But beyond that, the legislation actually allows for other exemptions. Of course that means that if a trade exposed company can put a case which the government believes is compelling, then that would be considered on its merits as well.

In relation to the 2011 review, again this is a balancing act. If you have too many reviews you create uncertainty and people do not know where the scheme will finish up and so forth. Having a review in 2011 is at about the mid point, and it allows us to then consider whether the target is appropriate, how we are going in the achievement of the target, what the impact is on the industry and so forth.

Clause agreed to; clauses 2 to 64 agreed to.

Clause 65

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I would like to get the minister’s interpretation of the operation of subclause 65(4), which comes into effect if the Governor in Council does not publish an order setting or fixing the renewable power percentage in respect of a year. Subclause (4)(a) provides that for 2007 the percentage is zero, and subparagraph (b) provides a formula for determining the percentage in subsequent years. Based on the table in clause 66, I wonder if the minister could outline to the committee what that calculation would be in respect of, for example, 2008 in the event that that formula under subclause (4) came into operation?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I can indicate to the honourable member that the government’s intention in relation to this is to actually make an order in council in relation to those years. The reason for the default, which the honourable member has asked about, is that in the event that an order in council were not made in a particular year the default would be to work out, on the basis of the formula that is in the legislation, what the number would be. However, I indicate that the orders in council that would come into play would accord with what is set out in clause 66 in relation to the amounts in each of those years.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I accept the minister’s statement that it is the government’s intention that an order be made under clause 65, but the default clause has been put in place for a reason. I am therefore interested to get to the bottom of how that default clause would work in the event that a future government did not set an order in council under subclause (1).

The formula in subclause (4)(b) provides that the percentage is worked out as such:

$$\text{Renewable power percentage for the previous year} \times \frac{\text{Required GWh of electricity from eligible renewable energy sources for the year}}{\text{Required GWh of electricity from eligible renewable energy sources for the previous year}}$$

If we were to take the example I asked the minister about for 2008 as the year for which this formula was to apply, we would see that the renewable power percentage for the previous year would be zero, as laid down under subclause (4)(a), multiplied by the required gigawatt hours of electricity from eligible renewable energy sources for the previous year, which would be 193 megawatts divided by the renewable gigawatt hours of electricity from eligible renewable energy sources for the previous year, which would be zero.

I am sure the minister would realise that an equation like that could not be solved if you were dividing by zero as required by the formula. Will the minister explain how that formula would work for 2008?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — The member has pulled out a technical question and tried to make some political capital or point out of it. The situation is that the government intends, and I am happy to put on the record, to issue orders in council in 2007 and 2008, so the question is redundant because in 2008 the government would issue an order in council for 193 megawatts. As the member would also appreciate, for the years following 2008 the maths in the formula work adequately and would be able to be applied in the event that there was not an order in council for that year.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I take it from the minister’s answer that he concedes that it does not work adequately for 2008?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — If a Liberal government came into office — God help the people of Victoria — at the next election, it might be able to try to use this particular aspect of the legislation to not issue any orders in council, but since the Liberal Party has said it is going

to repeal the whole legislation, then I do not see what relevance it has to the discussion. I have just given an assurance to the committee that a Labor government, when it is elected, will issue the order in council and will allow this legislation, and the benefits of it, to proceed.

Clause agreed to; clauses 66 to 117 agreed to; schedule agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I move:

That the bill be now read a third time.

The PRESIDENT — Order! The question is:

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

House divided on question:

Ayes, 22

Argondizzo, Ms	Mikakos, Ms
Broad, Ms	Mitchell, Mr
Buckingham, Mrs	Nguyen, Mr
Carbines, Ms	Pullen, Mr (<i>Teller</i>)
Darveniza, Ms	Romanes, Ms
Eren, Mr (<i>Teller</i>)	Scheffer, Mr
Hilton, Mr	Smith, Mr
Jennings, Mr	Somyurek, Mr
Lenders, Mr	Theophanous, Mr
McQuilten, Mr	Thomson, Ms
Madden, Mr	Viney, Mr

Noes, 19

Atkinson, Mr	Forwood, Mr
Baxter, Mr	Hadden, Ms
Bishop, Mr	Hall, Mr
Bowden, Mr	Koch, Mr
Brideson, Mr	Lovell, Ms
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr (<i>Teller</i>)	Stoney, Mr
Davis, Mr D. McL. (<i>Teller</i>)	Strong, Mr
Davis, Mr P. R.	Vogels, Mr
Drum, Mr	

Question agreed to.

Read third time.

Remaining stages

Passed remaining stages.

HERITAGE RIVERS (FURTHER PROTECTION) BILL

Second reading

Debate resumed from 24 August; motion of Ms BROAD (Minister for Local Government).

Hon. E. G. STONEY (Central Highlands) — The first observation I should make about this bill is that it really is just a political stunt. Having said that, the opposition supports the bill because of the principle of protecting our special rivers. All I can say about this bill, along with a few others that have come before the house recently, is that there must be an election coming on. We must keep in with the Greens to attract those very vital Greens preferences!

The long title of the bill states its purpose. It says:

to amend the Heritage Rivers Act 1992 to prohibit the construction in heritage river areas of new impoundments, barriers and structures that impede the passage of water fauna, to amend the provisions relating to management plans for heritage river areas and natural catchment areas in that act and for other purposes.

The Liberal Party is of the strong opinion that this bill actually waters down the 1992 Heritage Rivers Act, no pun intended. Under that act management plans must be prepared within five years. I will have a little bit to say about that at the end my contribution to the debate. With this bill there is no time frame required, which means that these management plans may never be developed. I wonder whether the government has failed to prepare the original plans and has just decided to change the legislation so it will not have to do that. It is all too hard really. Once you have scored the political point and got the preferences, managing the rivers does not really matter!

The second-reading speech lists the heritage rivers. It is important to note that the heritage status only applies to sections of particular streams. The speech mentions parts of the Glenelg, the Wimmera lakes and red gums, the rainforests of the Aire, the dry forests of the Lerderderg, the Goulburn, Ovens and Yarra floodplains, the very steep valleys of the Howqua, and the Big, Mitta Mitta, Aberfeldy and Thomson rivers. I will say a bit more about the Howqua a bit later. The second-reading speech mentions the Mitchell, Snowy and Genoa gorges, the upper Buchan and the Suggan Buggan, which are very remote places, and the beautiful Bemm estuary, a place that I have been to.

Most of these rivers are already protected from dam building and having impediments to fish and other animal life in place. That is why I say this bill really is

just a regurgitated stunt for the moment, which is of course the lead-up to the election. It is almost comical to watch the government thrashing around accusing the Liberal Party of wanting to build dams on rivers like the Mitchell when we have made absolutely plain that we will not be building a dam on the Mitchell River. All the Liberal Party has said is that it will keep all options open and look at any proposal on its merit. With the changes in climate and the incredible water shortage that is with us at the moment the most sensible thing Parliament can do is keep its options open. You just do not know what is coming. We heard speakers in the previous debate, one after another, saying exactly that — that we must keep our options open. Several speakers from all sides admitted that there is a big issue with climate change, so the most responsible thing parliaments can do is keep their options open and meet whatever challenge comes along. We do not know what is around the corner.

Hon. W. R. Baxter — And you could not build a dam downstream of Wangaratta on the Ovens anyway. Why is that included?

Hon. E. G. STONEY — There would be absolutely no point in it. It really is a practical thing. Having said that, we need to keep everything in the locker just in case. As Mr Baxter just alluded to, there are very few places left to build dams, especially north of the Divide where the pressure is on our rivers and irrigators — and more and more pressure now with the announcement of the intention to take northern water to Ballarat, which I think is appalling. Once again, agriculture comes last. There might be minor opportunities to increase the sizes of some storages. I note that Lake Nillacoote will be increased in size. The Buffalo River Dam has the opportunity to be increased. The land is there and it is covered in blackberries at the moment, so it may as well be under water. That is perhaps one place where that could happen. We just need to keep our options open on those types of things.

The debate about dams is quite interesting. I know exactly what it is like to lose a family farm to a dam. Our family farm went under Lake Eildon between 1950 and 1956. I know the personal angst of having land taken that was selected by your great-grandfather, but it was taken for the common good. We must not ever lose sight of the fact that the Eildon scheme, for example, was a balanced use of resources.

Some of the best farmland in Victoria — beautiful red gum flats — was taken, but the wider benefits for the wider community downstream were immeasurable and have been ever since. Now it looks like even Ballarat is going to benefit from the fact that our family farm was

taken. If that is what should happen, it should happen. In that case, I did not agree with it; it is just ridiculous.

You often muse on these things and wonder what the government's attitude would be if the Dartmouth Dam had not been built and the opportunity was there. What would the government do? Would it build Dartmouth? I am not sure that it would. I do not think that its members would have the internal fortitude to build Dartmouth. I think it would have been left to the next Liberal government to build it, but that is all pure supposition. The Dartmouth has been built. It provides a wonderful backup for the Murray system and it is certainly one of the very good schemes done in Victoria over the years.

The second-reading speech describes the Howqua River as having steep valleys. They got that right. The Howqua River is one that I have extensive knowledge of. I have ridden it several hundred if not a thousand times. I know that my colleagues Mr Philip Davis and Mr Bill Forwood walked that valley many times when they were schoolchildren. They talk about it ad nauseam as a wonderful place to be. The upper section of the Lower Howqua can be accessed only by a bridle track and a rough four-wheel-drive track as far as Sheepyard Flat. The Howqua track comes into Sheepyard and becomes Brocks Road as far as the Eight Mile Gap up the valley. It is really interesting to note that even in 1964 or 1965 the timber company kept well above the river so that the river would not be impacted on by the road. Even then there is of course some run-off and the river does discolour a little bit. With the steep sides of the river between Tunnel Bend and the Eight Mile the road is high up on the sides of the valley and it has been kept right away from the other two tracks that lead up the valley. That was done at the behest at the time of the forestry commission and, indeed, I think the timber company understood how important it was to keep the road away from the valley floor.

In that section of the river there are two other bridle tracks, one a mining pack track, which is the actual bridle track between Wonnangatta and Mansfield and does not cross the river at all. It is very steep, about a metre wide — it used to be a yard wide and it became a metre wide. Horses have to go along it in single file. When the floods were on strings of packhorses and large mobs of up to 500 cattle were strung along the track for miles. I have seen those strings of cattle. It is a wonderful sight to see the cattle strung out for miles, with drovers at every 100 or so head pushing them on, making sure the cows do not turn around and horn another beast off the track and down into the river.

Then there is the river track which crosses the river 36 times between Tunnel Bend and the 16 Mile Road. As far as riding or walking go, that is the ultimate trip up the Howqua River, with the steep sides towering above it. Above the Eight Mile Gap the Howqua is a very special place, with crystal clear water in large pools where trout used to lurk but they do not any more. The drought years reduced the trout numbers to a critical level. The fly fishermen who came in huge numbers no longer come because the government in its wisdom refuses to stock that river although it was stocked for many, many years.

It is very sad and silly that trout are no longer stocked in some of the rivers because of a philosophy, really. Trout have been here for well over 100 years and the native species have acclimatised to them and are all still there. The trout fishing provides an enormous economic fillip for towns such as Bright and Myrtleford and, in the Howqua's case, Mansfield, Merrijig and Jamieson River. The Howqua is the fastest flowing river in Victoria. Canoeists love it. They put their canoes in at Tunnel Bend and catch the snow melt right down to Lake Eildon.

I am using the Howqua River as an example of what I say is a true heritage river. Years ago there was talk of damming the Howqua River at Tunnel Bend. There are two high sides there and it would have been very cheap to put in a dam. I am glad they did not do so. It was not necessary. Lake Eildon is handling all the catchment, especially these days, from that area of all the rivers that flow into it, from the Goulburn, Jamieson, Howqua and Delatite, and Ford Creek and smaller tributaries.

A little booklet, *The Howqua Hills Story*, written by one Chris Stoney, has been put out. I declare that I took part in compiling it, especially in correcting my son's Scotch College English and spelling, which was needed because it was written before there was spellcheck on computers. Right at the start of the book there is an acknowledgment of the role of the Aboriginals and the note that it is thought that the Minjambuta and Tuangurang tribes visited the Howqua area. It says:

The Howqua area was an important economic one for the tribe. Outcropping in the valley is Cambrian greenstone, which was prized by the natives for its very hard qualities. Tribes traded axe and spear heads with tribes from other areas. Rock from the Howqua quarries has been found as far afield as South Gippsland, central Victoria and in the highlands north of the source of the Murray River.

I have some knowledge of those quarries because our family, including myself, are guardians of two of those quarries. A few years ago we had enormous pleasure in taking representatives of the Tuangurang and showing

them where the quarries are. We guard closely the secret of where they are. We consider them to be two of the very special places near the Howqua River. Only our family and the representatives of the Tuangurang and the National Museum of Australia know where they are. That is the way it should be, otherwise souvenir hunters will come along and, as members know, axe heads will appear on mantelpieces and eventually there will be nothing left but a pile of rocks. That is how we see that we can preserve part of the Aboriginal culture for posterity, and we are very proud of doing that. We took over that responsibility from the Ware family, who selected the property that I now live on. In his final days Jack Ware showed me that quarry and asked me to look after it for posterity. My children will be doing just that when I move on to greener pastures.

The book records that:

The first Europeans to set foot in the Howqua Valley were probably servants of the Hunter and Watson pastoral company.

It goes on to say:

The Howqua Hills run was to have many tenants throughout the next 40 years — most of them were interested in what was under the ground, not the feed on top!

It was a gold rush era and at one stage there were 5000 people in the Howqua Hills area. The book includes photos of the tunnel at Tunnel Bend, which was driven through solid rock to capture the river to run the giant waterwheel. The water race ran for many miles down the river and crushed a lot of rock but in the end they got very little gold.

No mention of the Howqua River and surrounds is complete without mentioning Fred Fry. This book records that:

... Fred played a prominent part in opening up the area by clearing pack tracks for the forest commission and packing salt for the destruction of noxious weeds —

which is a very old-fashioned way of dealing with noxious weeds. The modern way of dealing with them is that the government just lets them grow.

However, in those days there was an effort to pack the salt in and try to stop the spread of St John's wort, especially, and tutson, which I think was brought in by the early miners. Fred also packed in fishermen and built many huts in the valley. I quote from the book:

Fred was an excellent bushman, and with his own personal style of workmanship he erected many huts in the region, using split timber and the classic method of rolling roof poles

into place over the centre ridge of the new hut, using a horse and a long chain.

...

Fred was a friend and adviser to all who visited the valley — especially the boys from G. G. S. Timbertop. 'His door was always open and the billy always on the boil'.

His obituary in the *Mansfield Courier* after his death in 1971 had this to say:

A man must be the possessor of many rare qualities if he can live alone in comparative isolation for a great part of his life and yet enjoy the love and respect of a circle of friends in every walk of life numbering far above the ordinary.

Another long-term family of the valley was the Ware family — and there are not many, really, only the Ware family and the Fry family. Jack Ware's family were prospectors and became the original mountain cattlemen. They did it very hard.

This gives me a segue into grazing, because we cannot possibly talk about the Howqua Valley without talking about grazing. I quote:

For over a hundred years a number of graziers from the Mansfield district have run their cattle on the High Plains beyond the Howqua, Delatite and King valleys. Their mobs are taken up in the late spring and left to graze on the Alpine meadows over the summer months until mid-autumn when up to a month is spent mustering and walking the cattle back to their home properties. The leases covered a huge area in the early days, and were often shared.

The book goes on to talk about how the families opened up the bridle tracks along the rivers and up the spurs onto the High Plains. It goes on to record that these tracks are still used today by hikers and people riding horses. Of course this book was written before the cattlemen were removed from that area. I quote:

Many lost bushwalkers and skiers owe their lives to the early cattlemen who in those days were the only ones who knew the country — access was only by horse or on foot.

It amazes me that that history and contribution to early Victoria was overlooked on purpose by the government when it cancelled the leases last year. There was not a word of official acknowledgment of the history and the contribution the cattlemen made. Of all the incidents that happened at that time, overlooking that history and contribution was a disgrace and an indictment of how the government operates.

The book goes on to talk about how the names originated. There are a lot of theories about the origin of Howqua. The most popular theory is that it was named after John Hunter, who was nicknamed 'Howka', possibly after a brand of Chinese tea. The book reports

that the miners who ran out of grog resorted to drinking Howqua tea and river water, which became known as a bottle of Howqua. Others argue that it was named after Howqua, who was a negotiator for the Chinese at Hong Kong. A storekeeper called Howqua was based in the Wimmera. It is not clear if he visited the Howqua area, but a relative of his, Dr June Howqua, claims that the Howqua River was named after him and the family. We are not quite sure of the name's origin — it could be any one of several possible roots — but it is certainly an interesting name.

In conclusion I refer the house to a paper titled *Freshwater Protected Areas in Australia — An Overview*. It refers to wetlands, drainage, wild and scenic rivers and freshwater lakes. I was particularly taken with this paragraph:

Victoria passed a Heritage Rivers Act in 1992, nominating 18 rivers to be protected. However, 13 years later, none of the river management plans have been completed, and protective regimes have not been implemented.

The original act was passed in 1992, before the change in government. It covered 18 Victorian rivers, but the management plans for those rivers have not been completed. This government brings in a bill that it claims strengthens the original act when it has not even bothered to complete the management plans for that original act. That is why I claim this bill is a stunt. It should be seen in its political context, which is of course attracting and shoring up Greens preferences.

Hon. P. R. HALL (Gippsland) — I am pleased to make some comments on behalf of The Nationals on the Heritage Rivers (Further Protection) Bill. As the Honourable Graeme Stoney finished off by saying, the Heritage Rivers Act was introduced in 1992. It defined 18 heritage river areas, as set out in schedule 1 of the act. It essentially performed two functions relating to these heritage river areas. First of all, it defined some management functions, including definitions of management arrangements by the management authority. One of the functions of the management authority was to develop management plans within five years. I note that the Honourable Graeme Stoney mentioned that no management plans have yet been developed for any of the 18 heritage river areas.

It reflects poorly on governments since 1992 — and we have had governments of both political persuasions in that time — that despite that legislative responsibility, despite the fact that they were asked or required to do that by members in 1992 under an act of Parliament, this has not been done in the 14 years that the act has been in force. Secondly, it prevents the construction of any new impoundments, artificial barriers or structures

on all 18 heritage rivers without the approval of Parliament. These are hardly momentous changes.

The bill waters down the management plan requirements. In the original act there was a requirement that plans be done, even though they were not done; under the amendments they will not have to be done unless the minister decides that they will be done. The second-reading speech sets out that discretion is to be used and the issues the minister needs to take into account when requiring a management plan for any particular heritage river area to be developed. In some regards those matters referred to in the second-reading speech make sense. The minister needs to consider any management plans of adjoining areas, and that is relevant. To use an example, if there is a management plan for a national park surrounding a heritage river management area, there is sense in having a collective management plan for both the park and the heritage river. There is not really any significant change to management planning around heritage river areas.

The second issue relates to the consideration of any new impoundments and a change from Governor-in-Council approval to approval in Parliament. If the government has the numbers in both houses, as it does now, there is no difference anyway, except that a piece of legislation goes through the Parliament to authorise that change. If the government has the numbers, it does not make any difference; it will just use its numbers to get the legislation through, and we have seen that.

With respect to this piece of legislation, the Labor government in Victoria is no great environmental saviour. Although a lot of spin has been attached to the legislation, the changes it makes are hardly momentous. One can suspect that the reason for it is to shore up some Greens support leading up to the election of 25 November.

But when you look at the practical measures in this amendment bill, you see they are not significant at all. They are superficial, they are window-dressing, and they do not do anything to improve the environmental credentials of the government. When we are facing the worst water crisis this state has faced in many years — we have had droughts for the past 10 years, as we have discussed extensively this morning — tinkering with the Heritage Rivers Act is a pathetic and futile response to addressing our current water crisis in this state. It is for those reasons that The Nationals will be opposing the bill. We do not believe it achieves anything, that it is another attempt at window-dressing, and that the government is not serious about protecting the heritage river areas.

The last point I want to make is that if the government were really serious about protecting these heritage river areas, it would have changed not only the original act but also the Constitution Act, as it did to acquire a three-fifths majority of the Parliament for sanctioning any sale of water authorities. If it wanted to fully protect heritage rivers under the Heritage Rivers Act, it would have treated them exactly the same. It could have included them in the constitution to require not only a majority, but a three-fifths majority of Parliament, to ensure that no new impoundments were built across the heritage river areas. Any government in the future, as long as it has the numbers in both houses of Parliament, can build an impoundment or artificial structure on any of these heritage rivers. The Nationals say the government is hardly serious on this issue and we therefore see no reason why we should support it.

I want to make a couple of comments about water storages in this state. They very much relate to the heritage rivers, because of the provision in the Heritage Rivers Act that now the government of Victoria, whoever that may be, will be unable to build any new impoundments on the 18 heritage river areas unless an act of Parliament is passed allowing it to do so. The Nationals say that we should not cut off options in the future. We are not saying that from our party's perspective we should go out and all of a sudden build dams wherever we can on the new heritage areas — far from it. We are saying that we should keep our options open for fair and proper consideration of what water storage needs the state may have in the future.

I remind the house that Melbourne is very fortunate to have some major water storages, enough to last it for many years through drought conditions. Seventy per cent of Melbourne's water comes from the Thomson Dam, which is a natural river catchment that would normally flow through the Gippsland river system and ultimately into the Gippsland Lakes. Much of that has now been curtailed to satisfy the needs of people who live in the metropolitan area.

As I heard from Mr Matt Viney by way of interjection during the course of debate today, no region of Victoria should regard an asset as purely its own. That is so. We are happy to share resources around. We should all work together to share the responsibility of managing and utilising our resources well and efficiently. We say that is fine; we agree with that point of view. But do not expect that cost burden to always be borne by people who live in country Victoria, because that is the perception and the reality that people now are experiencing.

I say again that most country communities have much smaller water storage capabilities than Melbourne has. Many country towns now only divert directly from rivers into small storage tanks — or in some cases very small storage dams — only enough for a matter of weeks of supply for those particular towns, unlike Melbourne, which has years of supply in some of its major reservoirs. People in small country towns require their streams to flow and their small storage areas to be replenished on a frequent basis. Over the years people in country Victoria have suffered more from water restrictions than people in Melbourne, and that is something that country people have found very annoying, to say the least.

I want to repeat the comment that I made this morning that in the whole concept of the water debate and our demand for water in this state we need to recognise that many people in country areas harvest their own water, and are required to do so — that is, they have their own rain tanks in which they collect water off their roofs and they have their own, in limited cases, stock and domestic dams in which they collect their own water for stock and domestic purposes. They do not receive any help from the government to meet their need for water.

With respect to water storages The Nationals feel we should not be cutting off our options because the demand for water will increase in the years ahead. There is absolutely no doubt about that; nobody argued that during the course of the 3-hour debate this morning. One way of addressing that is recycling water and harvesting stormwater. But we would be stupid to say that we will never build any new water storages on natural catchments in Victoria. We need to keep the options open. As I said right at the start, that does not necessarily mean damming any of the 18 heritage river areas, but that we need to keep the options open and, if necessary, give them careful and thorough consideration for future needs.

I want to comment on the East Gippsland situation because a number of the heritage rivers, including the Mitchell River, are in my area of East Gippsland. People who know East Gippsland will know that it is undergoing significant growth, particularly in coastal communities such as Bairnsdale, Paynesville, Metung, Lakes Entrance and some others. The growth in those areas is quite prolific and as towns, cities and settlements grow, their need for a reliable water source also strengthens — for example, East Gippsland Water, which does a pretty good job of managing water facilities in East Gippsland, is currently constructing a storage facility on a tributary to the Mitchell River. East Gippsland Water diverts water directly from the

Mitchell River into some holding tanks and small pondages to meet the needs of the communities in the areas of Bairnsdale, Paynesville, Metung and Lakes Entrance.

Because of that increasing need they have had to increase the storage capacity and are constructing a new small storage facility on a tributary of the Mitchell River. That is needed, but there are other needs in the area as well, such as those of vegetable growers. We have a number of vegetable growers on the Mitchell River flats at Lindenow, and recent Australian Bureau of Agricultural and Resource Economics reports, including a report on the output of those growers — there are only about 40 of them — suggested that they generate some \$35 million of economic activity annually in that local area and so are a significant generator of jobs and economic activity there. They are efficient producers who have reduced their take from the Mitchell River and currently use about 8000 megalitres from that river each year.

Again those irrigators are in most cases direct diverters from the river itself. They can only take water when the level of flows down the river are at a certain level, and if the level of flows drop, as they do in some of the dry summer periods, then their diversions cease. As those of us who have a backyard vegetable patch know, there are best times of the year to grow vegetables, and the best time of year to harvest vegetables is over the summer period. Indeed that is when water is at its scarcest in river flows, and consequently there are times when that window of opportunity is lost for those vegetable growers on the Mitchell River flats. They do not have access to their irrigation water because of the low level of the river. What they are looking for is some certainty of supply. That can be gained not by building a massive dam on the Mitchell River — nobody has ever said they need that — but by having small storage facilities of somewhere between 10 000 and 20 000 megalitres off-stream, as East Gippsland Water has done, to secure domestic supplies for those areas.

I am not 100 per cent certain, but I do not think this legislation prevents people from building such storages. However, in some cases it could make it harder to do so and harder to get a planning permit to do such operations. My understanding, and I am happy to be corrected by members of the government in the debate, is that to a large extent and in the very broadest terms, although there are maps that define each of the heritage river areas, generally speaking unless there is a natural boundary most of the heritage river areas are defined as being 200 metres either side of the banks of those rivers, so I suspect that it is still possible to construct small storages on tributaries of some of these heritage

rivers so long as they are more than at least 200 metres away. But obviously proper process is required and permits must be gained for any such small storage. As I said, I am not 100 per cent sure that this particular piece of legislation will not make it harder for people like the vegetable growers on the Mitchell River flats to ultimately find themselves a secure water supply.

Those issues needed to be raised in the context of this debate because this legislation inhibits the ability to construct new water storages throughout the state of Victoria. I could talk about water needs and recycled water, but I spoke about that during the debate this morning and I am not going to take the further time of the house to repeat a lot of the comments I made about the need to make greater efforts to use our water wisely. Certainly recycling water and harvesting stormwater are issues I would have included as part of this debate this evening if I not had the opportunity to talk about them this morning.

In terms of vision, my colleague Mr Baxter pointed out the inadequacies of any vision that this government has. Despite its *Our Water Our Future* public relations document that has been floated around there is no real future vision for addressing the crisis we have in water in the state of Victoria. There is one state government that has at least partly got a vision for drought-proofing its state, and that is the Queensland government. Queensland is drought-proofing the southern part of that state with the construction of new dams. It is doing that now under Premier Beattie. I am quite convinced one of the reasons Premier Beattie and his government were returned was that they had a vision in respect of the commodity that is most precious to Australian states — that is, water. It had a vision and was prepared to develop and build new storage facilities in going as far as it could to help drought-proof that state.

This government in Victoria does not have that vision in response to the worst drought we have had for many years. Tinkering at the edges of the Heritage Rivers Act is a futile and pathetic response to what is a serious problem we have to counter. These amendments to the Heritage Rivers Act do not achieve anything of substance or worthwhile. For the reasons I have outlined in my contribution The Nationals will be strongly opposing the bill.

Ms CARBINES (Geelong) — I am very pleased to speak in support of the government's Heritage Rivers (Further Protection) Bill tonight. I have already said today that I am very proud as a member of the Bracks government of its record in relation to the management of water in this state. We know, as we have discussed this morning — I think it was the one point that

everyone agreed on, but maybe not Mr. Baxter — that climate change is affecting our nation. We are seeing that in the form of the sustained drought that Victoria has been experiencing for the better part of the last decade. We know that the CSIRO is predicting in its mid-range forecast that we will lose about 8 per cent of environmental flows in our rivers by 2020 and that that will rise to about 20 per cent by 2050.

Our government has worked hard over the last, nearly four years to critically address the drought issue affecting the state through the *Our Water Our Future* process. We committed as a government as part of an election campaign to prohibit the damming of rivers that are protected under the Heritage Rivers Act. This bill is delivering on the election commitment made to the Victorian people.

About a month ago the Premier, the Minister for Environment and Minister for Water in the other place and the Minister for Energy Industries jointly released our environmental sustainability action statement, which contained 150 actions aimed at reducing the footprint of Victorians upon our natural environment. Coupled with the 150 actions was some \$200 million of funding to implement those actions. One of the key actions in the statement was that the government would ban the damming of Victoria's 18 heritage rivers and it would afford the protection of Parliament to those heritage rivers to ensure that no future government would be able to construct a dam on any of our 18 heritage rivers without reference to the Parliament of Victoria.

This is a very important bill. Despite what opposition members say, they are not prepared to come out strongly in support of this bill because they do not support the impetus behind it. When we in the government talk about our vision for management of our water supplies, we know exactly what *Our Water Our Future* contains. It is about managing our water supplies in a sustainable way in our state, and it is about conserving and recycling water.

The Nationals accuse us of having no vision. That is because for The Nationals, having a vision for water equates to building a new dam. We have just heard Mr Hall talking about Queensland's Mr Beattie being a visionary premier. I am sure he considers Mr Beattie to be a visionary premier purely because Mr Beattie is proposing to build two new dams in Queensland. Having been in Queensland recently, I know they are very controversial projects. Our government certainly believes there is no need to build a new dam in Victoria, and our policy on water sets us clearly apart from both the Liberal opposition and The Nationals.

Under current legislation the government of the day could approve a new dam on any one of the state's heritage rivers without reference to the Parliament. That is something we do not support, and that is why we have brought the bill before the Parliament tonight. We are very proud of our government's record in improving the health of our state's rivers. We know that about a quarter of the state's rivers are in very poor health, and we are working hard to change that and turn that around by dramatically improving the health of all the rivers in the state.

As members of this place well know, this government has established the very first environmental reserve for rivers. We have given rivers a right to have water flowing in them. As I said this morning, this is a challenging concept for those opposite because historically they believe that rivers are there for their own extractive purposes and not as inherent parts of nature. We in the government have established the environmental reserve, which I understand is a world first. I am very proud that the Bracks government has done that. We have also put an environmental levy on the state's water authorities to raise \$225 million over the term of this Parliament. Every cent of that \$225 million will be reinvested in the improvement of the health of our rivers.

Last year I visited the Goulburn Broken Catchment Management Authority with the authority chair, Stephen Mills, and stood on the banks of the Goulburn River and announced that \$1 million of that funding would go to improving the health of both the Goulburn and the Broken rivers. There are similar projects being announced around the state all the time, where catchment management authorities (CMAs) are receiving funding through this levy to improve the health of rivers.

The government has made a major investment in water infrastructure projects, and, as I said this morning, for evidence of that investment you have to look no further than the Wimmera–Mallee pipeline project, which for the first time is allowing substantial water savings. About 93 000 megalitres of water will be saved each year, which will take the pressure off the river systems and improve the health of our Wimmera and Glenelg rivers. We have returned flows to the Snowy and the Thomson rivers. We know that Victorians care very deeply about those water flows and are very supportive of the government's efforts to return flows to those two icon rivers.

The government is developing regional river health strategies across the state to improve river health. The Minister for Water in the other place, Minister

Thwaites, recently announced extra funding for every CMA across the state to improve river health. I know that the catchment in my own region, the Corangamite catchment, received \$800 000 for its Barwon-through-Geelong project, which is aimed at improving the health of the Barwon River, an iconic river in my home town of Geelong.

We in the government are working very carefully to secure Victoria's water supplies. We know that new dams are not the answer, and that places us in stark contrast to the Liberal opposition and The Nationals in this place. New dams will not create new water and they will not make it rain more. They would actually damage the dammed rivers and ruin the natural environment. New dams are very, very costly. Of course the opposition parties do not share this point of view. The Liberal Party has come out in the last week and proposed a dam for the Maribyrnong River, which would be extremely costly. The cost has been estimated at about \$80 million. The aim of the proposal is to create a dam to hold about 2 billion litres of water.

We in the government know that the shower head proposal that was announced by Minister Thwaites this week, where we will distribute some 180 000 AAA-rated shower heads across Victoria costing \$6 million, will save the same amount of water as the Liberal Party's proposal. It is a no-brainer. Our proposal is to install water-efficient shower heads, thereby saving about 2 billion litres of water a year. The Liberal Party's proposal is to dam the Maribyrnong River, supposedly to save water; in reality it would ruin that river and save no water at all. You can never be quite sure where The Nationals are going with this issue. They have a very dodgy record on the environment. I have listened over the last four years to their contributions in relation to the environment.

Hon. W. R. Baxter — We are very practical people.

Ms CARBINES — As Mr Baxter says, they are very practical people, but they are very dodgy as far as the environment is concerned. One need look no further than their policies in relation to forestry, coastal management and water to see that. They are obviously not supporting this bill because they plan — in some fantasyland where they will have a say again in a coalition government — to dam one of our heritage rivers. I am quite certain they are very keen to put a dam on the Mitchell River, which is of course our largest undammed river.

As I have said, The Nationals accuse us of having no vision for water — despite having worked for the last four years to secure Victoria's water supplies —

because for The Nationals, having a vision for water equates to building a new dam. We stand condemned, because we are not prepared to build a new dam in this state; it is not needed. We see the opposition parties flip-flopping their way around the state conducting populist campaigns to somehow try to shore up their political future. We know that Victorians see through this. Victorians know they have a part to play in conserving water and they know they have a part to play in ensuring our environment is protected, and they are supporting the government in these measures. We are implementing our plan to secure our state's water supplies for the next 50 years through conservation, through recycling and through identifying additional supplies.

Since we have been in government we have already increased the amount of water recycling that is done in Melbourne. When we came to government recycling was at the paltry level of 2 per cent; we have taken it up to 12 per cent. Melburnians are now using 22 per cent less water than they were using in the 1990s.

This bill has strong support from stakeholders around the state. I refer to a press release put out by Environment Victoria on 22 August headed 'Dams no solution to water woes'. It states:

Environment Victoria has welcomed moves to provide increased protection for the state's heritage rivers.

Environment Victoria's Healthy Rivers campaign director, Dr Paul Sinclair said:

Building another dam won't solve anything and will only cause damage to our rivers, the natural environment and downstream communities. We need 21st century solutions for 21st century problems.

This bill is about protecting our heritage rivers. It also gives the minister the capacity to call for management plans to be prepared for a heritage river if he or she believes that other plans such as the regional river health strategy or the national park management plans do not either individually or collectively afford the amount of protection and management that is needed for that heritage river. In this way we will ensure there are no gaps in the management strategies for our heritage rivers.

This bill delivers on an election promise. It adds to our commitment to further enhance our environment in Victoria, and I wish it a speedy passage.

Sitting suspended 6.32 p.m. until 8.07 p.m.

Ms HADDEN (Ballarat) — I rise to speak on the Heritage Rivers (Further Protection) Bill. I support this

bill, although it really will not add much to what has already been in place under the Heritage Rivers Act 1992. I will elaborate on that shortly, but really this bill does not add much more — except that the relevant minister, the Minister for Environment in the other place, has not done anything as minister.

Clause 1 sets out the main purpose of the bill, which is to amend the Heritage Rivers Act 1992. The purpose is to reaffirm the prohibition of the construction in heritage river areas of new impoundments, artificial barriers and structures that impede the passage of water fauna. I refer to clauses 3, 7, 10, 11 and 12 of the bill in that regard.

The bill also amends the provisions relating to management plans for heritage river areas and natural catchment areas through clauses 4, 5 and 6. It makes other amendments to the act through the remaining clauses.

An 'impoundment' is defined as:

an impoundment, barrier or structure that impedes the passage of water fauna ...

For lay people, that is in effect a dam.

Since 1992 catchment management authorities (CMAs) have been created with whole-of-catchment responsibilities, and it is proposed that they may also have a role in preparing management plans under the Heritage Rivers Act. Various amendments in proposed clause 4 of this bill to section 8 of the act would include CMAs in the management planning process. I might say here that I do support CMAs. They need to be properly funded and properly resourced to do the work for which they were legislated in 1992. They are not so funded and resourced under this current government, which really is shirking its responsibilities to the environment while trying to say it has environmental credentials — it does not. It is trying to con people to get the Greens vote, and I do not think it will be very successful in that regard.

Clause 4(1) substitutes sections 8(1) and 8(1A) for existing section 8(1), which requires a management plan to be prepared for each heritage river area and natural catchment area within five years of the area being brought under the act. Since 1992, when that was provided for by the original act, it has never been implemented. In fact, Minister Thwaites, the current Minister for Environment, has fallen down on his ministerial duty of ensuring the protection and conservation of heritage river areas.

Proposed new section 8(1) provides for the requirement contained in that provision to be made of a managing authority or CMA, if requested by the minister. Clearly this bill will now give the minister a discretionary power and not a mandatory power. It will give Minister Thwaites the discretionary power to prepare a management plan in relation to all or any part of a heritage river area within the time specified. The minister will have the power to include matters specified by him.

Proposed new section 8(1A) will allow the minister to:

request the preparation of a management plan —

again that is discretionary —

... if he or she considers that there is not another plan or strategy which adequately addresses the management of the area.

Again what we are seeing in this bill is not a proposed strengthening of our heritage river areas and natural catchment areas but a weakening of those very important areas along our river systems in this state. If you look behind the spin of the press releases you see the real facts; they are very different to what the spin is in the press releases.

Clause 7 substitutes proposed section 10(1), which reaffirms the prohibition of the construction or extension of an impoundment in a heritage river area. Clause 10 amends section 22 by inserting an additional transitional provision to confirm that the prohibition on the construction of new or extended impoundments in section 10(1) does not affect the ability to replace or maintain any existing impoundment.

Clause 11 amends schedule 3 by omitting column 1 of the table as a consequence of clause 7 in the bill. Fourteen heritage river areas are listed in column 1, and those are already in the existing section 10(1) permits of the current act.

It is interesting to note that the current 1992 act already has, in column 1 of schedule 3, a prohibition against the damming of heritage river areas. The river areas currently listed are: Mitta Mitta, Ovens, Howqua, Goulburn, Genoa, Bemm, Goolengook, Arte, Errinundra, Snowy, Suggan Buggan, Berrima, Upper Buchan, Mitchell, Wonnangatta, Thomson, Aire, Glenelg and Aberfeldy. Already 14 of the 18 heritage areas are protected by the 1992 Heritage Rivers Act. The further two rivers included in the new schedule of the bill are the Yarra and the Lerderderg, and the Wimmera and Big rivers are also included. That brings it up to 18, so there are added heritage river areas. It needs to be made clear that it is not the entire heritage

river area that is being protected, but only parts of those areas are in fact protected.

The Wimmera River is in a diabolical state. I do not know whether anyone has been there and seen it, but I have some magnificent photos of it — you can drive across it — and seeing it would literally make you cry. That river is included in the amending bill before us; the heritage protection is to occur to the west and north of Horsham.

On 17 July the government issued a press release, with its usual spin and rhetoric, from the Minister for Water in the other place, headed 'Bracks dam ban will protect state's key rivers'. What the minister omitted to do was to inform the people of Victoria of the truth of the matter — that is, that this bill is in fact a duplication of the 1992 act, but it does add another two rivers, the Wimmera and Big rivers, to the heritage area protection. In this press release Minister Thwaites claimed it to be his initiative — well, it is not — and said the initiative:

will help secure a more environmentally sustainable future for some of our most precious rivers and regions.

What I want to ask is: what has the Bracks government done in the last seven years? You can go around to any of these rivers in the Wimmera–Mallee region, and to the Loddon River and the Moorabool River, which is the most stressed river in my electorate, to see that this government has done absolutely zilch. The minister said in that press release that the *Our Water Our Future* paper was:

a plan to secure the state's water supplies with a focus on conservation, recycling and finding additional supplies.

I do not know what he is on, but he is certainly not on a reality check.

The 18 heritage river areas, 16 of which are already protected under the 1992 legislation, contain significant nature conservation areas. They are: the Glenelg River, with its limestone cliffs; the Wimmera, with its river red gums and terminal lakes; the Aire, with its cool, temperate rainforest; the Lerderderg, with the Lerderderg Gorge; the Goulburn, Ovens and Yarra, with their floodplain meanderings; the Howqua, Big, Mitta Mitta, Aberfeldy and Thomson rivers, flowing through steep forested valleys and mountains; the Mitchell, Snowy and Genoa, with their spectacular gorges; the Upper Buchan and the Suggan Buggan, which are located in remote and rugged terrain; and the Bemm River, with its estuary at the Sydenham Inlet. They are magnificent rivers in our state, and we should

really be looking after them a lot better than this government says it does — and it does not.

The Wimmera River was dealt a bit of a blow last month, on 8 August, when Minister Thwaites asked the Wimmera Catchment Management Authority to delay the release of environmental flows to the Wimmera and MacKenzie Rivers until the end of the month because he was not too sure about the August rainfall. The Wimmera was effectively on life support. Its ecosystems are under serious threat. Anyone who knows that region knows that, and simply the river is not flowing. It was to get the scheduled 3000 megalitres for environmental flows.

The communities of the Wimmera–Mallee protested and threatened all sorts of public protests if that 3000 megalitres was to be sent down the Wimmera River and not used so they could stock their farms and water their farm business properties. Grampians Wimmera Mallee Water made arrangements to stall the decision and also arranged for the affected farms to receive a water supply for household use — but only to some 2300 farms. But it is not for stock watering or spraying, though; it is only for household use. After that they have to pay. It is pretty dire up in the Wimmera and the Mallee, I can tell you.

The Premier and his lackey, the Minister for Agriculture in the other place, Mr Cameron, might like to fly into the region. They ought to try catching the fast train! But they fly in with their moleskins on and cry crocodile tears. It is not good enough at all. They are absolute hypocrites. That is exactly how they are seen — as absolute hypocrites — and it really is embarrassing to have the latte set flying into the Wimmera. They ought to be ashamed of themselves. They ought to open up their pockets and use the \$1.6 billion of environmental levies and dividends which this government has extracted from the water authorities over the last couple of years and pay that into these regions for reuse, for their proper environmental flows and for supporting the farm businesses, which they desperately need. If those farms are destocked, which they are doing now, we are in dire trouble.

Steve Bracks was a bit worried about this threatened protest by the farmers in the Wimmera–Mallee region, so directed his Minister for Environment to hold off releasing the 3000 megalitres down the Wimmera River, and the *Weekly Times* today carried the headline ‘Bracks holds water back’. Gee, he is a saviour! He knows there is an election on 25 November, so he wants to be seen to be doing something, and he truly has the pre-election jitters.

The 3000 megalitres is not going to be released down the Wimmera River for environmental flows. It will be held back, but the Wimmera–Mallee farmers are still carting water — they are having to pay for it — for their stock and their farm businesses. The article states:

VFF grain group president Ian Hastings said farmers needed water-rate relief and help to cover the costs of carting water for stock and spraying.

This is precisely what the environmental levy and dividends paid to the water authorities should be being used for: heavily subsidising these farming businesses. The article continues:

A carting program for domestic water to 2300 farms and a proposed 50 per cent water-rate rebate will cost Grampians Wimmera Mallee Water almost \$4 million ...

The government certainly has the money. It cannot say it does not have the money. It certainly pulls in the money from gambling — for instance, in Ballarat \$54 million was pulled in from gambling revenue straight into the government’s coffers in the last financial year. This government is not doing anywhere near enough for our farming communities.

This pipeline — this pipedream — proposal, which was released on 30 August, to link the Goulburn–Murray system to Bendigo and Ballarat has been met with absolute anger and contempt by my community — they are not impressed. Lake Eppalock is at approximately 4 per cent of capacity. The Goulburn–Murray system farmers are only able to access less than 7 per cent of their water entitlements, but they pay 100 per cent of their water entitlements. There is a lot of anger and criticism as they see this Labor government’s proposal for this saviour pipeline to water the gardens of Ballarat and Bendigo. That is how country people see it, and they are not impressed.

Of course we know the Newlingrook aquifer has a permissible annual value of 75 000 megalitres per annum, which is approved by the Department of Sustainability and Environment (DSE). That could be brought online now. It could have been brought online over the last five years. This government knew seven years ago that we were into the third year of a drought then. It has had the last five years at least to be doing some work. I am not saying the DSE has not done the work that has needed to be done, but I just say this government sits on its hands and panders to the latte set of Melbourne city central.

The Loddon River is a stressed catchment, as are the Murray and Moorabool rivers. They were identified in the central region sustainable water strategy document back in April, and yet these rivers are not protected and

given heritage river protection under this bill before the house, so I am not impressed with that at all.

On this so-called pipeline proposal from the Goulburn–Murray system down to Bendigo and then to Ballarat, I ask the minister and the government: where is the feasibility study, where are the strategic studies and facts to prove this is the so-called answer? I do not believe at all that the government has it. It certainly was not included in the strategy paper. It just come from out of left field.

How they will ever build infrastructure over the Great Divide into Ballarat is beyond anyone's imagination. Minister Thwaites himself said on 26 April in the *Weekly Times* that there was currently no spare water in the Loddon system, so why would you want to even attempt to pipe it. Back in April he suggested a \$200 million-odd pipeline from the Cairn Curran Reservoir, which is a muddy drain at the moment, to Ballarat.

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

Hon. J. G. HILTON (Western Port) — I am happy to accept your call, Deputy President, but my understanding is that in a debate a supporting speaker is followed by a speaker who is opposing the bill, and that would be Mr Baxter.

The DEPUTY PRESIDENT — Order! The call for speakers is at the discretion of the Chair. It is worked through in collaboration with all sides of the house.

Hon. J. G. HILTON — I am pleased to make a brief contribution to the Heritage Rivers (Further Protection) Bill. I note that this bill is being supported by the Liberal Party but it is being opposed by The Nationals. Firstly, I commend Mr Stoney's contribution earlier this afternoon. I always enjoy his interesting contributions, for which he calls on his vast knowledge of all things to do with regional Victoria and the high country. He did make a statement which I found somewhat unusual. He said he thought this bill was a stunt, yet he supports the bill. Perhaps we can read into that that the Liberal Party is the party for stunts — and since it does not have any policies maybe that is appropriate. The Nationals have opposed the legislation. What they eventually got round to saying was that they are in favour of dams. You could say that The Nationals are the dam party. If you want a dam, vote The Nationals. In my view, that is a damn silly idea!

Periodically on Thursday afternoons there are briefings on science hosted by the Speaker. On 20 July there was

one entitled 'How healthy are our waterways?'. The speakers were Professor Sam Lake from Monash University and Dr Simon Treadwell from Sinclair Knight Mertz. Unfortunately I do not think those briefings are particularly well attended, but there are some MPs who get there regularly, including me and the Honourable Chris Strong. I believe this time the Honourable Bill Baxter was also there. I asked those speakers whether in an environment of global warming and a drought dams were the answer. The answer was no. There was no 'but' or 'maybe' about it, the answer was no.

Ms Hadden — I was there too.

Hon. J. G. HILTON — Ms Hadden reminds me she was there too. We either accept science and accept opinions of experts or we do not. As I mentioned, Mr Baxter was at that briefing, and I would be very interested to hear his opinion on the veracity of the opinion which was given by two people whom I would presume to be experts in their field. If we accept that dams are not the answer then what is the answer? The answer is improved water management practices. It is my understanding that about 50 per cent of the water resources in this state are used in agriculture and horticulture, and there is potential to improve those practices rather than employing a knee-jerk response of building more dams. Dams are expensive, as has been indicated before in this debate, and their construction would at best, so far as I am aware, have a very marginal influence on our capacity to store water.

The details of this bill have been effectively covered by the Parliamentary Secretary for Environment and previous speakers on both sides, so I will not go into detail. This bill implements an election promise to prohibit the construction of dams on Victoria's heritage rivers. The bill ensures that dams cannot be constructed unless there is a proposal which is debated and passed by both houses. In summary, this bill reinforces the government's commitment to the improvement of the environment and in particular the health of our rivers.

We are getting to the end of this Parliament, and in the previous sitting week the Honourable Andrew Brideson made the comment that he will be speaking on the last education bill to be debated in his period as an MP. I think Mr McQuilten yesterday mentioned that he was probably speaking for the second-last time in his parliamentary career. Probably, and I am not sure what the list is for the next sitting week, this may be my last opportunity to speak on an environment bill. I would like to share with the house that it has been a tremendous pleasure to be able to speak on these bills. My usual task as the government's second speaker on

environment bills has been made easy because I have been invariably following the parliamentary secretary, who is an excellent parliamentary performer, who is always on top of her material and who has made my job very easy because I usually do not have to describe any of the details.

It has been a pleasure also for me to be involved in other aspects of the environment through my membership of the parliamentary Environment and Natural Resources Committee, a fellow member of which is the Deputy Leader of the Opposition, Ms Coote. We have taken very much a tripartisan approach to the issues we have been asked to examine, because we all understand, especially when we get away from the theatre of this place, that the environment is important. It is probably the no. 1 issue that we have to address as a community. We need to leave the environment in a better condition than it was in when we inherited it. For the very first time we are in grave danger of not being able to do that.

Global warming is a present threat to our very existence as a human civilisation. We have to treat this issue seriously. The Al Gore film, which has been released in Australia, paints a very alarmist picture of what could happen if we do not address this issue. An article in one of the newspapers recently — I think it was the *Age* — asked that five or six eminent scientists rate the science of the film, and they all gave it essentially four and a half out of five. They may quibble with the detail, but the underlying philosophy was absolutely right. Australia is already the driest continent, and it is becoming drier and hotter. As a country we will be far less able to support our traditional agricultural and horticultural practices unless we learn to do more with less. Water is a valuable and precious commodity, and we must all play our part in making sure that this resource is used in the most efficient and effective way.

I believe this bill is yet another example of the Bracks government's commitment to the environment and to improving it for this and future generations. As always it gives me great pleasure to have had the opportunity to speak on this bill. It gives me even greater pleasure, and indeed pride, to be able to commend it to the house.

Hon. W. R. BAXTER (North Eastern) — I have no qualms about labelling this bill a stunt, a disappointment and some aspect of it are mutually contradictory. In a sense it holds itself up as protecting our heritage rivers in this state, most of which are already protected — this bill only adds protection to sections of another couple of rivers — yet on the other hand it takes away the mandatory preparation of management plans for the heritage rivers and provides

that they be done at the behest of the minister of the day. I find that a bit contradictory, frankly — that the government is trumpeting this legislation as protecting heritage rivers but by the bill it is weakening the management regime process. There is no explanation in the second-reading speech as to why the government has taken that line.

I think the bill is a stunt. I think that government members misunderstand or do not know what is in the bill. They think that heritage rivers are protected by this bill from their source in the mountains to their outlet, whether it be into another stream or into the sea — that somehow or other the rivers are protected from end to end. Of course they are not. Heritage rivers are protected in part from the construction of dams.

Whilst I am fully in favour of building dams where appropriate, I am realistic enough to say that we would not build them in very sensitive places. We may not ever build another dam in Victoria, I do not know, but I certainly do not want to rule it out. Every day that I walk through Queens Hall here I see the portrait of John Gladstone Black McDonald, the Premier who built big Eildon, and I think to myself, 'If J. G. B. McDonald had not exercised the vision he did 50-odd years ago, where would we be today?'. This is what I find a bit contradictory in what Mr Hilton has just told us.

If the scenario sketched by Mr Hilton, that global warming is as serious as some scientists are predicting and we are going to see less rainfall but more violent climatic events, I would have thought that logic dictates we will need more dams to capture the water in the times we do have a surplus that the increased weather patterns and cyclonic-type weather might bring to this part of the world and this part of Australia, so that we can in fact sustain ourselves through the longer dry periods that are predicted. It just seems to me that being holier than thou and saying, 'We're not going to build any more dams' is going to be counterproductive if we are going to experience the very serious climate change that some are predicting.

I am the first to say that in the Murray–Darling Basin area of Victoria — that is, north of the Divide — it is highly unlikely that there will ever be another dam built, for a couple of reasons. One is that we already have the water cap there, so we cannot build another dam if that is going to divert more water from our streams in the Murray–Darling Basin. I support the cap on diversions in the Murray–Darling Basin Commission area. The only scenario I see for the building of a dam in the MDBC area in Victoria is if it were to replace an

existing dam, for whatever reason, so that there would be simply no net increase in diversions.

I do think that there are opportunities in southern Victoria for the construction of water storages — not huge dams of the Dartmouth Dam size — but surely sooner or later economics will dictate that in East Gippsland a more secure water supply has to be provided for the vegetable growers on the Mitchell River flats, because they are generating huge wealth for this state and they are bringing development to East Gippsland such as has not been seen before. I am sure that time will dictate a more secure supply for them, however that is achieved, and I do not know how at this stage.

Certainly I would think that, whilst Mr Hilton and his colleagues might think that the public out there at large are somewhat anti-dam at the moment, if the water scarcity that we are experiencing right now continues for a year or two, their office doors will be broken down by constituents hammering on those doors for the construction of another dam. I know that a dam does not create rain, but I also know that it is going to rain on occasions and that the public is going to demand that we actually have storages available to capture that rain when it comes so that we can sustain ourselves through dry periods such as we are experiencing now and we do not need to impose the sort of restrictions that are being imposed on some of our country towns and cities at this moment, particularly Bendigo and towns in the Wimmera and Mallee.

As Mr Hilton has noted, I attended the science briefing on the health of our rivers. I share his concern that those science briefings are very poorly attended by our colleagues. I would encourage everyone to at least have a look at them and go to the ones that are of particular interest to them. I pick and choose a bit and I get to a few. But I frankly was disappointed with the one on the health of the rivers. I went along expecting to hear some hard science, some factual stuff, the result of some research — something that I could grab onto, hold onto and feel confident in. I got a couple of excursions around the mulberry bush by a couple of blokes who I do not think had left their airconditioned offices at Monash University. It was the greatest disappointment I have had in a long time, and I will be very disappointed if the science briefings, if they are continued in the new Parliament, do not have bit more rigour than we got on that particular day.

In respect of dams and environmental flows, if we did not have dams in the Murray system, that is, the Hume Dam and the Dartmouth Dam, at this point in time the Murray River would be like it was in 1915. Instead of

having Sir Ronald East straddling the river at Merbein, we could have been the Minister for Water straddling the river, because that is what it would be — a series of puddles. Because we have those dams we actually have the river running quite high — much higher than it would be under natural conditions — and providing water to the environment as well as to our community. Yet that is widely misunderstood by people.

Hon. P. R. Hall — Dams can maintain an environmental flow.

Hon. W. R. BAXTER — Yes, dams can maintain an environmental flow, Mr Hall — a very valuable environmental flow. On Thursday of last week I was in Tallangatta at the tourist information centre, which is run by retired citizens of the town. They had just had a freelance journalist in, all angry because he had come up to get photographs of the Murray River dry. He had heard that the river was dying and there was no water in it. He was very distressed indeed to find that it was running a banker downstream of Lake Hume. This is the sort of the misinformation that we get out there. This is the sort of misunderstanding that the government backbench labours under.

Let us consider the Wimmera River, which was mentioned by Mr Hilton and others. Yes, we hear this government talk about environmental flows and how important they are. Of course they are, but what about the 3000 megalitres environmental flow for the Wimmera River? Are they letting it go down the river? No, they are not, and I fully support them in that decision. It would be crazy to let 3000 megalitres go down the Wimmera River right now because it would not be happening under natural conditions. If we did not have any of the storages in the Grampians, there would be no water in the Wimmera River now.

To let 3000 megalitres that we happen to have in the Grampians storage go down simply because we wanted to maintain an artificial environmental flow, one that would not be there under natural conditions, would be a dereliction of duty, when we consider the number of people in the Wimmera who are now in desperate straits in terms of water — not water for their crops, not water for their stock, just water for their households. This is where governments and pious politicians get hoist with their own petards, because they have this view that we are going to have environmental flows, come what may. Fortunately wiser heads have prevailed. The announcement in today's *Weekly Times* that the Premier has stepped in and said, 'We're not going to release 3000 megalitres to go down the Wimmera River for virtually no useful purpose but at

grave disadvantage to human beings', is very welcome news.

The other point I make in closing is that one of the things I understand this bill does is incorporate the Ovens River downstream of Wangaratta between there and Parolas Bridge as a heritage river area. I do not object to that, but the inference is that this is to stop a dam, an impoundment, being built on that section of the river. Bearing in mind that it is as flat as this floor, how could you possibly build an impoundment anyway? If you tried, what you would be doing would be building another Lake Mokoan. But it would be even worse, because it would be shallower than Lake Mokoan. There is nowhere to build a dam there. That seems typical of this government's preparedness to spin a yarn and to look as if it is protecting something that is under threat. There has never been any threat of an impoundment on the Ovens River between Wangaratta and Lake Mulwala. It is simply not practical, yet this is the sort of thing we get rolled up to us.

Ms Carbines criticised The Nationals earlier today. I interjected and said, 'Yes, but we are practical people'. To her credit, Ms Carbines acknowledged that we are. I do not want to say that when I have retired in a few years I will be able to sit back in my armchair and know that I was right on some of the issues I have fought for and defended in this Parliament, but, by Jove, it will give me a lot of pleasure to do so! So often, despite members of The Nationals being pilloried and criticised year in and year out, at the end of the day governments have come around to doing what my party has been advocating, because we are practical people. We are opposing this legislation because we are practical people and we see that this legislation will be an impediment to the wellbeing of our people in the future.

Mr SCHEFFER (Monash) — There has been considerable debate tonight on whether the amendments made by this bill to the Heritage Rivers Act 1992 actually change anything. The argument has been put that these heritage rivers are already protected and that the aim of this legislation is to give a political boost to the government and to make it look like it is doing something. The other criticism is that the government is amending the act to curry favour with the Greens. But this criticism is different from the first because it concedes that the bill is making a real change.

Section 10 of the Heritage Rivers Act says:

An impoundment, artificial barrier or structure that impedes the passage of water fauna must not be constructed in a heritage river area specified in column 1 of schedule 3 unless

the Governor in Council by notice published in the *Government Gazette*, approves its construction in that area.

It also says:

There must not be a new water diversion in a heritage river area specified in column 2 of schedule 3 unless it is approved by the Governor in Council by notice published in the *Government Gazette*.

This means that the Heritage Rivers Act empowers the government to decide, without reference to the Parliament, whether to construct in a heritage river an impoundment, artificial barrier or structure that impedes the passage of water fauna — in other words, as I understand it, under present legislation the government can build a dam on a heritage river whenever it sees fit. The Victorian government can also decide to approve a new water diversion from a waterway upstream from the lowest point of the specified heritage river area by publishing a notice in the *Government Gazette*. The government does not need to go to the Parliament to have this happen.

Under the existing legislation there is no legislative prohibition on the construction of new dams on 14 of the heritage rivers, including the Mitchell River. While there are existing constraints on the Lerderderg and Yarra rivers, there is no legislative prohibition on the construction of a new dam. The Heritage Rivers (Further Protection) Bill takes that power away from the minister and the government. If at some point in the future there were a case for building a new dam, the government of the day would have to put the proposal before the Parliament, which could then decide on the issue.

The purpose of dams is to get around the fact that a regular and steady supply of water is not available owing to natural seasonal fluctuations. A dam is not a good thing in itself. A dam always to some degree compromises the health of the natural environment. The alteration of river flows has had a huge impact on the river and stream ecosystems of Victoria over a long period of time, and it is not surprising that many of these systems are now under stress. There are about 70 large dams in Victoria. Their holding so much water must have a damaging impact downstream on the plants and animals that depend on certain levels of water flow to stay alive and to breed. I suppose that to some extent plants and animals adapt to changed conditions, but there must be a limit beyond which they die. And the impacts must be felt all the way along the river system from the dam down through the lakes and wetlands to the coast and estuaries. This is commonsense and is the reason for having policies and strategies to preserve the health of river systems.

Successive governments have understood the need for improving water management for environmental, social and economic reasons.

The thinking behind this bill is that the construction of new dams is not a solution to Victoria's water availability problem. The obvious point is that dams do not create water, they simply take water from somewhere else, and that somewhere else will necessarily have less water. When we build a dam we contribute to stressing the ecosystem. We need to manage the water we have in better ways by improving infrastructure — that is, the existing dams and pipelines. A new dam would take water from farmers and rural communities who more and more desperately rely upon it.

The Nationals have indicated support for a suggestion that a dam should be built on one of the small tributaries of the Mitchell River. They believe this would provide a year-round water supply for vegetable growers and further value adding and employment growth. The Liberal Party does not agree with this and, with reservations and criticisms of the government's motives, will support the bill. The member for Gippsland East in the other place, Craig Ingram, supports the bill. He does not agree with The Nationals either — he believes that the Mitchell should never be dammed. There is considerable local debate on the issue in Gippsland, and newspapers across provincial Victoria have reported various views on it.

The reasons behind the proposal to dam the Mitchell are that this would give a secure supply of water to irrigators, that it would provide a minimal environmental flow during dry periods, that the resulting regulated flow would help control water quality and algal bloom in the Gippsland Lakes, and that it would reduce flooding, and provide water for Melbourne and more water to Bairnsdale and other towns. The government's view is that it is important to try to find ways of securing water to irrigators but that damming the Mitchell is not the environmentally responsible way to do it. The government believes that a better storage option is putting water back into aquifers.

I attended a briefing in Adelaide given by officers from the City of Salisbury in South Australia. From hearing their briefing and subsequently reading the material I am impressed with the process they have in which recycled water is pumped back into an aquifer for storage and later recovery. This is a modification of the natural system that has been occurring for millions of years and seems to have none of the damaging impacts that dams have on the environment.

In relation to providing minimal flows during dry periods, the government has established the environmental water reserve by capping water entitlements at current levels and allocating any additional available water under the sustained diversion limit. The impact of artificially regulated flows on water quality and algal bloom in the Gippsland Lakes is thought to be inconsequential. I understand that a dam on the Mitchell of the size suggested would have minimal impact in controlling floods because it would need to be full to irrigate, and that means that it would have only a momentary impact on floods.

There are cheaper ways of providing water to Melbourne than damming the Mitchell, and Melbourne already has a comprehensive strategy to bring in more water without wasting the drinking water that we need. To bring this into place would involve not wasting good drinking water, recycling more water so that we do not need to rely on rainfall and rivers, and of course there are already some 70 dams that we need to make better use of.

The claim has been made during the debate that the bill weakens the management plan provisions in the existing act. I point out to the house that the amendments continue to acknowledge the importance of management planning but recognise that it is not necessary to duplicate other plans or strategies where they adequately address heritage river values. The amendments in the bill therefore aim to avoid duplication but allow the minister to fill any gaps in planning. Water reform is complex and relies on sound scientific evidence as well as the experience of people who are closely involved in both water management and water use. The debate over the best way to proceed is obviously important in getting public policy and legislation right. Overall this is good legislation that will better protect our river systems, and I commend it to the house.

House divided on motion:

Ayes, 32

Argondizzo, Ms	Koch, Mr
Atkinson, Mr	Lenders, Mr
Bowden, Mr	Lovell, Ms
Brideson, Mr	Madden, Mr
Broad, Ms	Mikakos, Ms
Buckingham, Mrs	Mitchell, Mr
Carbines, Ms	Pullen, Mr (<i>Teller</i>)
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr	Romanes, Ms
Darveniza, Ms	Scheffer, Mr
Davis, Mr P. R.	Stoney, Mr
Eren, Mr	Strong, Mr
Forwood, Mr	Theophanous, Mr
Hadden, Ms (<i>Teller</i>)	Thomson, Ms

Hilton, Mr
Jennings, Mr

Viney, Mr
Vogels, Mr

Noes, 4

Baxter, Mr (*Teller*)
Bishop, Mr (*Teller*)

Drum, Mr
Hall, Mr

Motion agreed to.

Read second time.

Third reading

Ms BROAD (Minister for Local Government) —
By leave, I move:

That the bill be now read a third time.

In doing so I thank members for their contributions to the debate on this bill to further protect Victoria's heritage rivers.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

CITY OF MELBOURNE AND DOCKLANDS ACTS (GOVERNANCE) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Ms BROAD (Minister for Local Government).

TRANSPORT (TAXI-CAB ACCREDITATION AND OTHER AMENDMENTS) BILL

Second reading

Debate resumed from 24 August; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. R. H. BOWDEN (South Eastern) — I rise to make this contribution on behalf of the opposition on the Transport (Taxi-cab Accreditation and Other Amendments) Bill 2006. The purpose of the bill is to make significant amendments to the Transport Act 1983 and the Transport Legislation (Further Amendment) Act 2006.

The bill before the house contains several quite important aspects that will affect the operation of the taxi industry here in Victoria, and it has the intention of improving that operation. There are several main provisions of the bill, and the first one that is quite noticeable is that it provides for the accreditation of taxi depots. There are circumstances where they are defined. In many cases they are quite large and in other instances they can be home depots or secondary depots that are quite small in size but are still very important elements of the linkage to other aspects of the industry. The bill provides for the accreditation of taxi operators and people who have the managerial responsibility for providing that service and for the accreditation of holders of taxi licences. Indeed that is a new initiative in regulation — holders of taxi licences will be required to be subject to accreditation.

The bill is not opposed by the opposition. I would inform honourable members that pursuant to sessional order 36 I request that an amendment be circulated in my name for subsequent consideration at the right time.

Opposition amendment circulated by Hon. R. H. BOWDEN (South Eastern) pursuant to sessional orders.

Hon. R. H. BOWDEN — One of the concerns the opposition has about this bill is that whilst the accreditation is quite detailed in its requirements and the regulation for accreditation is laid out clearly in the bill, the actual levels have yet to be established in detail and there has to be cooperative work done in developing those accreditation levels between the industry and the department of transport via the Victorian Taxi Directorate. One would have expected and hoped that the level of detail necessary for a credible schedule of accreditation requirements would have been contained in the bill so that we would have had an opportunity as a Parliament to look at those accreditation details, but they are not there to the extent that we would have expected.

Another feature of the bill is that it enables the police to issue on-the-spot fines for transport and other ticket offences. At the present time inspectors from the Victorian Taxi Directorate can recommend and pass along on-the-spot fines for processing and issuance through the Department of Infrastructure. There is a situation where at times the inspectors have been intimidated, and it is considered that through this bill officers of Victoria Police should have the ability where necessary to issue on-the-spot fines.

There are some areas of concern and I will come to those later. An interesting aspect of the bill is that the

state government seems to have a great deal of faith in accreditation itself and an extraordinary amount of faith bordering on naivety on the ultra benefits of regulation. Another concern that became apparent to members of the opposition during the discussions prior to the introduction of the bill was the suggestion that the state government may be trawling for information. We looked at the bill, and there is a suggestion that the state government is trawling for details of businesses. There is a belief that the state government may be relying on regulation and on the assumption that everyone will obey, and that is at times a little naive.

Approximately three weeks ago I was in Canberra and had to book a taxi from Parliament House down to the city. In Canberra the previous three operators are now consolidated into one service that has a computer voice recognition booking system. On that particular evening I wanted a cab to take me and my guest from Parliament House in Canberra into the city, and the voice-recognition system could not understand my pronunciation of the word 'city'. To cut a long story short, we waited 40 minutes. It took many minutes indeed to get on to a manual operator and not a recorded voice. Then we were informed that the original booking was lost and that a new booking had to be made through a manual operator. That system is fully accredited in the Australian Capital Territory.

I sincerely hope and expect that the accreditation process and the regulations that this state government puts together as a result of that accreditation process will outperform the very poor, unacceptable and unreliable system that exists in Canberra today — or which existed three weeks ago when my overseas visitor and I were standing in the cold and rain in Canberra waiting for a taxi which never came. Based on my experience, I do not have much faith in accreditation at all.

One of the things that has to be said about the Victorian taxi fleet is that it is quite large. There are approximately 3000 taxis in the fleet, and it is reliably estimated that approximately 32 million individual taxi trips are undertaken per year in this state. The taxi industry is an integral part of our social fabric, our social structure and our public transport system. It provides services for a great variety of members of the community and it plays many different roles in providing this essential service. The people of Victoria expect that service to be provided efficiently and safely by high-quality and reliable vehicles at a cost that is affordable, economical and good value for both the travelling public and the owners of the businesses and vehicles themselves.

I am sure all of us have had the interesting experience from time to time of getting in a taxi and asking the driver 'What is the city like?', 'What is happening here?', 'How are things going?', 'What do you know?' and other questions. When I have travelled by taxi either overseas or interstate I have always found the taxi drivers to be entertaining and friendly and to give good advice. It was said some years ago by some people in the industry that our taxi drivers can be amongst our best ambassadors. I agree with that comment; taxi drivers can be wonderful ambassadors for our state and for this wonderful city we have the privilege of living in. I suggest to honourable members that we should do everything we can to improve conditions for the men and women who drive the taxis and provide the service, and that we should recognise the valuable contribution they make to the community.

I was disappointed to see in some of the documentation I read prior to making this contribution that some of the drivers of these vehicles believe that the Victorian Taxi Directorate and other limited numbers of people in the community do not give them the respect and the kudos they deserve. They provide a service 24 hours a day, seven days a week, under all weather conditions and sometimes in dangerous circumstances. I think that one of the goals of the taxi industry should be to give the community information about the good services that taxi drivers provide and the positive things they contribute to the community.

The intention of the bill is to increase the professionalism of the taxi service. It is the end product of a series of bills the government has put together since 2002 as part of a reform program to enhance and improve the taxi industry. As part of that reform, 600 new green-top cabs have been introduced to the fleet. There is a belief held by some that not all the measures taken to introduce those green-top cabs were in the industry's best interests. For instance, those extra cabs have at times been accused of diluting the financial return of the regular cab fleet, and that may be so.

The bill provides for a new training course for drivers and contains a new charter to explain the rights and obligations of taxi passengers and drivers so that the commercial nature of their relationship is understood. The bill also provides for new regulations to ensure greater transparency in the trading of taxi licences. Those things are good.

The major item of this reform process which started in 2002 is taxi industry accreditation. I would say that compared with the taxi fleets in some cities — I would love to name them, but I will not because I may have to

go back there — our fleet is not too bad. The presentation of the fleet in a distinctive colour, the requirement for drivers to wear a reasonable and functional uniform, the specifications for minimum standards of cleanliness and other practical measures that have been introduced over time have assisted in the creation of a good image for the industry. Whilst there are at times regrettable instances where drivers do not conform to industry requirements, in the main the community has confidence in the ability of the drivers and in the mechanical quality of their vehicles.

Safety is an issue. Over the years there have been several regrettable attacks on drivers, and that is totally unacceptable. Some drivers have been exposed to violent attacks, and some have even been the victims of homicides. I understand that it is a requirement for the Victorian Taxi Directorate to have a constant program of evaluating world best technology and to have the practical means to improve safety on a cost-effective basis with the emphasis on the safety of the drivers and providers of the taxi service. It is a regrettable fact that instances of violence against drivers do occur, and as a Parliament we should encourage the state government of the day and the Victorian Taxi Directorate to do all they can to recognise the importance of the service provided by the men and women who drive the taxis and to assist in ensuring their safety.

It is a feature of the bill that as part of the accreditation process the information required from the taxi depots will be spelt out. The depots range from extremely modest set-ups where a phone and a simple booking system are installed through to large, sophisticated and extraordinarily well-managed multiple-vehicle depots where the service is of a high volume and of a good quality. However, there is a belief that the quality of service through these depots is not uniform. It is not anywhere near approaching a predictable, understandable or reliable level of performance. Depots are a pivotal part of the system. They are the places where most of the bookings are made, and they are responsible for arranging the drivers schedules. They are at present and for a long time have been accountable for the scheduling and provision of maintenance for the vehicles and several other things, including the disciplining of the drivers if that seems to be required. These are all part of the many services undertaken at a depot.

Sometimes the depots are well managed and sometimes they are not. Disciplining of drivers can range from good treatment and fair hearings down to situations where natural justice is missing. I hope, expect and believe that the accreditation program outlined in this bill will enable appropriate documentation so that the

community and drivers will recognise that the depots should offer the range of services, skills and support that is required and expected.

There is already regulation of the number of taxis. There is strong regulation of the number of drivers and the services required, and these changes will complete the situation. The three key divisions of the industry — taxicab licence-holders, taxicab licensed operators and the providers of the taxicab network of services — are now linked to provide the overall service. The emphasis is on safety for the travelling public, drivers and operators in terms of mechanical safety provisions that are necessary to ensure that vehicles are safe even when they have high kilometre readings on their odometers.

The other point I want to mention is that complaints are regularly received from the drivers that the level of security provided for them is not good, but another peculiar characteristic of this business involves what are called 'runners'. A runner could simply be described as someone who uses the taxi and then opens the door and runs away without paying. I was surprised to read an article published on page 10 of the *Herald Sun* on 23 August under the headline '9000 people skip on fares'. The article says:

New fines for taxi-fare evaders will be considered amid industry claims that 9000 passengers a week fail to pay.

That is a large number of runners in a week. It must be distressing for drivers, whom I would imagine are on very modest incomes — they work long and very difficult hours; it is not easy work by any means — to do that work and then have someone just run away. There are instances where drivers have gone to the police and the police regularly do not take any action. That issue should be pursued by the state government because running away without paying for a taxi service provided is theft. Section 229 of the Transport Act makes that very clear. The police should assist drivers in that situation.

Far be it from me to make an unwarranted suggestion, but if you added 9000 crimes of theft per week on average to the overall crime statistics in this state it would make the number of thefts look quite bad. I am not saying that the police do not pursue it because they want to keep statistics down. What I am saying is that if 9000 — which is a reliable figure provided by the industry — of these thefts are being reported every week, then we have a real problem, and there is a very strong case for the police to be asked to give this situation a lot of attention. I strongly suggest that be done.

The view of the opposition on some aspects of this accreditation scheme, particularly the cost of implementing it, is that the government may want to leave itself the option at a later date of charging for accreditation and auditing the system. Nowhere in the bill are there recorded figures on the costs incurred in the provision of the services. There is not enough detail on the level of accreditation, the record keeping required and the documentation burdens that are already placed on a struggling industry.

If honourable members in this chamber asked the taxidriver taking them on their next journey how things are going in the taxi business, the chances are the drivers will say that it is not that great. I regularly ask that question, and I have never had a positive answer yet. I think that the consistency in that answer from many taxidrivers over a long period of time suggests that in the context of the economics of providing the service the income patterns are not high. That is a very interesting aspect of this bill.

One of the points I made at the beginning of my contribution to the debate was that the opposition feels this is another instance where Labor's approach is that of a Big Brother government wanting to trawl through or delve into the financials and the visibility of individual businesses. Through regulation the government can say, 'We want this' or 'We want that' or 'We want this information' or 'We want that type of detail'. There is more and more intrusion and more and more trawling for private business sector information that is not necessarily required so long as the accreditation process is logical, sensible, cost effective and fair for those who are required to participate in it.

I have not been satisfied with the taxi service in many parts of my electorate. In the South-Eastern Province I have beautiful towns such as Drouin and Wonthaggi, those on Phillip Island and the Mornington Peninsula and all sorts of other places. It is a large electorate. Once you move away from the metropolitan area it is not easy to get a taxi particularly for senior citizens and those with physical difficulties and other challenges to their mobility. They need a reliable and suitable taxi service. In my opinion the schemes put in place by the present state government from time to time have not been successful.

If you ask the regional taxidrivers, they will tell you that the conditions, the regulations, the laws and the accumulation of various requirements particularly in providing a service at odd hours makes it very difficult. Over time we have had reports from small rural and regional communities that they just do not have a taxi service; it is just not there. Not everyone has the

financial capacity or the physical ability to drive a car, and the taxi service is a way for people in our state to have an ability to move around. It is part of our public service network. People may not consider using taxis as often as they would a train or a tram or a metropolitan bus, but they are important, and if you have a physical disability, they are even more important. Many people in regional and rural Victoria have a totally inadequate service.

Through the Victorian Taxi Directorate, the Minister for Transport and the Department of Infrastructure, the state government has an opportunity to really think about this. It may cost money to provide that level of help to the people who deserve it — and that is something which has to be said when bills of this nature come before the house. The service is not good enough and it will cost the government money, and that money should be invested in the people who need the service and who should have a natural expectation of some assistance.

With those comments I will conclude my contribution. In not opposing this bill the opposition is saying to the government that there are aspects of this bill which are supportable. There is a belief on both sides of the house that there has to be an emphasis on operator safety and on cost-effective accreditation and regulation, and there has to be an emphasis on quality of service and ease of access to a reasonable service at a reasonable cost with a safe and secure operation. It is an interesting comment on the taxi industry that a taxi is probably the only vehicle that a stranger will get into while not knowing the identity of the driver when that person. There is an element of trust between the public and the taxi operators and the taxidrivers. It is vital that we maintain that element of trust because a taxi carrying out its task is part of the essential mobility of our state transport network and infrastructure.

We have to do what we can to protect, nourish, encourage and do those things that we can to make this service safe and sensible, and while it may not necessarily be a pleasurable experience it should be an effective one. It should be a service that is sufficient.

Hon. B. W. BISHOP (North Western) — On behalf of The Nationals I rise to make a contribution to the Transport (Taxi-cab Accreditation and Other Amendments) Bill. Our position is that we do not oppose this bill. We have had some discussions with the minister and letters have been exchanged with him about issues raised by the Victorian Taxi Association, and I will deal with those later. Obviously as usual The Nationals have consulted widely on this bill. We thank

Neil Sach and his people for their practical approach to briefing us on the difficulties we had with this bill.

As a general comment on the taxi and hire car industry, I think most of us in Victoria use taxis whether it be in the city, in regional areas or indeed in rural areas. Business people in particular use taxis. For example, if you go to the airport there are literally hundreds if not thousands of taxis lined up there to service people who get off the aeroplanes coming in not only from cities around Australia but cities around the world. The first impression you get as a visitor to a city, whether you are from interstate or overseas and whether you are a businessperson or a tourist, is the same for everyone. First impressions are very telling, and the taxi ride to your hotel is one of the initial impressions you get. Of course if you get off a long flight from overseas you either want to get home or to the hotel. If you are a businessperson on a tight schedule you want good service, so first impressions are very important to visitors to our country.

When I was thinking about what I might say on this bill I remembered travelling to the Middle East years ago. They used to be fairly long and difficult flights. You would get to Bahrain at about midnight, hop out of the airport and a taxicab with an Arab driver would be waiting to take you to your hotel. You would hop into the cab and say, 'How much?' and they would say, 'No meter; we will sort it out later', which was always a dangerous process. When you got to the hotel they would say, 'You go first'. You would go first and say, 'Three dinars', and of course the driver would nearly die on the spot. He would say he had a family to support, and he would want five dinars, so four dinars later you settled the bill. But they were friendly people; they knew where they were going and the cabs were in good condition. I think that is the difference in our country where of course meters are part and parcel of the business.

I have a view, and The Nationals have a view, that the taxi service in the metropolitan area in particular has slipped. When the Kennett-McNamara government was in place — and I think Mr Baxter may have been the minister at that stage — the taxi industry got a real spring clean, and it certainly came up pretty well. I remember that at one stage former Premier Jeff Kennett was talking about pink cabs. It may have been an ambit claim, but the pink cabs never appeared and we got the yellow cabs and uniforms for the drivers and a much more professional process was put into place. I think it probably needs to be done again, particularly in the metropolitan area, where standards have slipped a bit. It is a bit different in the country, where the issues of getting from one place to another are slightly different.

I am pretty certain that most of the drivers there know where they are going and get you to the spot without too much trouble.

But I suspect that all of those issues come together in the incidents we have seen and the sad violence committed against drivers, which we in The Nationals say is absolutely not on. We need our drivers in the taxicab industry to be safe, and we need our passengers to be safe as well. I think it is an indictment of the community that we need video protection in our taxis. It has got to that, so I suppose we must come at it from a practical point of view. The Honourable Bill Baxter was saying in debate on a bill we dealt with earlier that we are practical people. If we must have video protection in cabs, for whoever might need it, we certainly need the opportunity for those records to be able to be retrieved without too many problems. That would certainly be a deterrent. We support the amendment proposed by the opposition.

When I think about it, I recall that in other parts of the world there are cages surrounding taxidivers. I hope it never comes to that in Victoria or Australia, but it may be the way to go. I often wonder whether we could have distress lights on the tops of cabs. If a driver got into trouble and pressed the button there could be a very bright light — it may very well be rotating or whatever; I suggest to Mr Bowden that it might even be a siren — which might help to get the driver some assistance in a hurry. That may be something we could look at.

The Honourable Ron Bowden spoke about the runners, and if my memory serves me correctly, he said he had read that 9000 a week had been documented in some area. That is an awful lot of people bolting out of the cabs without paying. The question of what we do about that as a society is a fairly difficult one. I guess if you had a video available and you could pull the results out each time, you might be able to nail them. But it would be a tough call to do that, and it would take a lot of resources. I suppose you could lock them in the cab and not let them out until they paid, but I do not know what they might do to the driver in that process. All of those issues need to be carefully worked through.

All in all, all of those issues are a two-way street. As Mr Bowden said, you step into a cab without knowing the driver and with the utmost faith that that driver will take you to where you want to go in utmost safety. Again it is a two-way street — we want to ensure the safety of both drivers and passengers in cabs, which are an integral part of our society. The Nationals urge the government to adopt a cooperative approach in tidying up the taxi industry. We urge it to work with the owners, the operators, the depots and of course also

with the Victorian Taxi Association (VTA), which represents the people on the ground. There is no doubt that our taxidriviers, wherever they might be in Victoria, all work very hard.

From my dealings with the taxi industry I am quite sure that there is not a lot of money in it for most of the people involved. They work long and strange hours and do an enormous lot of sitting around. You see great queues of taxis lined up at the airport. Again we say that we should work together as a total community to see what we can do to make this a safer industry.

I turn to the main purposes of the bill. As I have said before, whilst we will be supporting the amendment moved by the opposition, The Nationals will not be opposing the bill. The bill's main purposes are to tighten up the accountability and responsibility of taxi depots and to introduce a new accreditation scheme that will identify the key roles of those involved in the industry. It will cover, for example, the taxicab licence-holders, the taxicab licence operators and the providers of taxicab network services — that is, the taxi depots and secondary depots as well. The bill will establish an offence if any of these industry participants undertakes a range of activities without accreditation. They need to be accredited or they will have committed an offence, and penalties will be imposed on them.

The bill will also put in place a quite clear distinction between the regulation of the number of taxis and the regulation of the business and service standards, which will include the probity and professionalism of people who provide the service. It will also provide for the minister to set standards via the *Government Gazette* for the taxi industry across a wide range of areas. There is a heap of areas. They include the safety of taxicab drivers, customers and members of the public; business capability; information and records management; financial viability; education and training; and customer service — for example, the availability and performance of wheelchair accessible taxis, or WATs, as we call them. I will talk about that later.

Before the minister can determine business and services standards he or she will have to consult with the industry. Another thing the bill will do and which we picked up is that it will reinstate the capacity of Victoria Police to issue on-the-spot ticket and transport infringement notices on public transport. As I said, we did consult widely on this bill and got some good information back.

As I said before, I would like to congratulate Neil Sach and his people for their understanding of the industry and their capacity to support their people. Their annual

conference comes up in mid-October and the Leader of The Nationals, Peter Ryan, in the other place; Bill Sykes, the member for Benalla in the other place, who has done a lot of really good work with taxis; and I will certainly be attending. We believe the taxi industry is an important part of society.

The Victorian Taxi Association raised three predominant issues. I will not go into a lot of detail as to what it raised, but I thank the minister for his response, which he provided by letter. That is a professional way to go about it. The first issue was in regard to proposed section 156A. The VTA was concerned that a perfectly innocent taxi operator could be left out in the cold in the event that their assigned taxi licence was suspended through no fault of their own. The VTA believed that could happen. We had a briefing from the departmental officers. Again I compliment them on their briefing. We have always had good briefings from those people, and this was up to the usual standard. We felt we needed to have an assurance from the minister that the concerns of the VTA could be addressed. I think it is important to put on the record what the minister said. The letter states:

I agree that it would be unfair to an assignee were he or she to be seriously penalised for the actions of the licence-holder in the circumstances to which you refer. I confirm that mechanisms already exist to help ensure that in situations where a licence-holder's accreditation was suspended or cancelled an assignee would not suffer a loss of assignment and, hence, of the right to operate the taxi. I am advised that in the rare event that consideration was being given to suspend or cancel a licence-holder's accreditation, the Victorian Taxi Directorate would, if necessary, seek approval for an order under section 143A of the Transport Act 1983 for the issue of a short-term licence to the displaced assignee. This would provide continuity of operation until a longer term, market-based licence assignment was available to the displaced assignee.

And the minister said:

I intend to confirm this understanding in the Parliament.

The Nationals thank him for that. We consider that was a bit of a win for The Nationals and the Victorian Taxi Association as well.

The second thing the association raised was that the bill could remove the ability of the taxicab network owners to make a commercial decision regarding the desirability of having different operators affiliated with their company. The Nationals raised that with the minister as well. The response from the minister is again quite detailed, but I will put it on the record for the sake of the Victorian Taxi Association. It is on proposed section 133(4), and the minister's response was:

Proposed section 133(4) would make it a condition of accreditation as a taxicab operator that the operator be affiliated with a taxicab network service provider. This provides significant commercial protection for depots by requiring all operators to be affiliated with a depot. Proposed section 133(5) makes it a condition of accreditation as a provider of taxicab network services that the provider must not, without reasonable excuse, refuse to enter into an affiliation with an accredited operator. This is, in effect, the reciprocal obligation: operators are required to be affiliated with a depot; hence there is a requirement that depots not refuse an operator affiliation without a reasonable excuse.

The government considers these requirements to reflect fair and balanced policy. What would constitute a reasonable excuse for a provider of network services to refuse to affiliate in a given situation would depend on the facts of the case. The concept of 'reasonableness' is widely used in Victorian legislation and the general law and is well understood by the courts. The Victorian Taxi Directorate, in making the initial decision as to the reasonableness or otherwise of a depot's decision not to affiliate, would have to exercise its function in accordance with this test and with the general requirements of administrative law.

I think that one was probably a draw; anyway, the minister has clearly put in the letter to me what will happen in those particular cases.

The third and last issue that the VTA raised was that the drafting of the definition of 'taxi-cab network service' in the bill was clumsy and unclear, and in fact I believe it is. The relevant provision, which is proposed section 130A, states:

"taxi-cab network service" means —

- (a) the receipt and dispatch of bookings or orders for the hiring of taxi-cabs; or
- (b) the provision for taxi-cabs of a central communications system —

and then it says —

or

- (c) the provision for taxi-cabs of a global positioning system —

and then it says 'or' again and it goes through a string of things that designate what a network service is. The position of The Nationals, and I believe that of the VTA, is that one of those things would hardly constitute what we would call a network service. However, the minister has responded on the government's position on proposed section 130A, saying:

The definition of 'taxi-cab network service' characterises eight services —

which we talked about —

as taxi-cab network services. The range of services included has to be wide enough to match the different levels and types of services provided in metropolitan Melbourne and regional Victoria. Large metropolitan depots would typically provide all eight of the services in the definition. A person operating a small regional depot, on the other hand, might provide only a subset of all the services; similarly for a secondary network. For this reason, the definition comprises a disjunctive list of services. It is intended that the definition be interpreted in the light of clause 1 of the bill which clearly states that the purpose of the bill is 'to provide for the accreditation of certain participants in the taxi-cab industry'.

The letter finishes by saying:

The Department of Infrastructure has advised that it considers that the definition as currently framed is able to be administered sensibly and appropriately.

But then it says:

Nevertheless, once introduced, we will monitor its operation and adjust the provision if the need arises in the future.

The Nationals sort of put that down as a win as well among the matters we raised for the attention of the minister. Again we thank the minister for his responses in relation to those areas and hope that assists the Victorian Taxi Association in its representations on behalf of the people that it looks after in the taxi industry.

I want to make a few more comments on country taxis. There has been a review into the taxi industry and a few things have occurred, and some of those have been quite positive issues and moves. I will just speak about a few of them. We have seen more flexible trading hours introduced; there may not be a need for 24-hour services all week in some parts of Victoria. That is a very sensible view to be put forward for some of our country taxi operators. Also there are more flexible views about roadworthy certificates being able to be obtained. That is certainly a good move in country Victoria. Of course everyone has welcomed the cut in licence fees, which allows a chance for our taxis, particularly those in the country, to get a bit ahead of the game.

But the issues that The Nationals believe are not satisfactorily addressed are fare increases. Fares have been pegged for five or six years. In fact this is a good example. I have a note here from Wayne and Jan Uebergang, who operate Taxis of Hamilton, which says:

Once again, Mr Batchelor has stated it will be at the owners cost to install safety screens and 'that there is plenty of money going into the taxi industry but not enough of it is seen by the people who do the hard work — the taxidivers'. This statement alone proves this man has no idea of the taxi industry, when drivers receive a clear 50 per cent bailment

and the owners cover all costs — i.e. fuel, maintenance, licence fees et cetera — and yet feels we can afford more expense taken from the bottom line, which is eroding very quickly.

They go on to point out:

The last fare increase works out to less than 1 per cent per annum over the past six years.

They make some more comments on that, but I think that is a good point that Taxis of Hamilton makes.

It seems to The Nationals that a much more sensible approach would be if we had annual increases. In fact we see that everything else the government does is indexed, so we do not see why it could not index the taxi fees so there would not be those big jumps. It would give more security and sustainability to our taxi industry if we could keep them in good order, and it would be a good industry to work in.

The other issue is a rather difficult one, and that is the issue of the country taxis being discriminated against with the wheelchair accessible taxis (WATs). The government has acted in this area. It has given some incentives to the metropolitan taxis at the first stage, with booking fees. It is my belief that is worth \$100 per car every four weeks, and there is an operational booking fee on depot books as well. That is a pretty good start. But was it offered to our country taxis? The answer is no. Then the government said, 'We will stick a \$3 million fund in there for the country taxi operator in relation to the WATs, and that should make up the difference between the cost of a standard taxi and a wheelchair accessible taxi' — which is about double. They are quite expensive.

We have about 75 WATs operating in country Victoria. I suspect they turn those over — I guess it varies a bit between operators — about every three or five years. That funding is about right; it is somewhere near the mark, and each cab should get a go.

However, when you look at the deal in the fine print, it is means tested in a funny way. What it means is if you have your head above water, you are working like mad and are making a go of it, then you are not going to get a grant. That is silly; it works against the whole proposal. Why should the country operators not get access to the assistance program to provide services to people with disabilities and those who have to use cabs under certain conditions? We ask the government to have a decent look at that and remove the means test, because it seems to stand in the way of moving forward in that particular area.

When you think about the wheelchair accessible taxi (WAT) program, you always come back to the multipurpose taxi program. Everyone agreed it was being rorted some time ago, but The Nationals think the government overcorrected and imposed ridiculous caps on the situation.

We now know that the general annual cap is out to \$1000 and there are caps of \$30 a trip. We have had information from the managing director of the Heathcote taxi service, Dale Sudholz. Dale had been to the Victorian Community Transport Association conference about this particular situation and said that he learned a lot about community transport. He said he handed the member from Brunswick in the other place, who is the Parliamentary Secretary for Infrastructure, a note regarding this. His suggestion, which is not a bad one, is that the C-plate taxis, the small country town taxis, could have a \$60 cap; the U-plates, which traditionally service regional towns and a mix of urban and fringe customers, could be capped at \$40; and for those taxis that service the metropolitan area, all day and every day, the cap could stay at \$30. That is innovative thinking from the taxi industry. We would ask the government to consider that in relation to the caps on individual trips for wheelchair accessible taxis.

It is a great opportunity for the government to use taxis more fully in country areas. A number of the areas, although not all, do not have any public transport, so it would be far better to utilise taxis, with government support, to get people around those areas. Local buses or other services could be used, but it seems silly to spend capital on a bus for the community if there is a cab in the town which could be used efficiently and effectively. That is particularly relevant for country Victoria in areas where there is no public transport.

To conclude, The Nationals urge the government to work with the taxi industry to make it safer for customers, make it safer for drivers, and to do it cooperatively so that this essential industry can enjoy the success it deserves.

Mr SMITH (Chelsea) — I am more than happy to make a contribution to the debate on this important bill for our society. It is an interesting issue for the public at large. Taxis are an integral part of our public transport system, and by and large many people rely, in some cases totally, on the services provided by taxidrivers.

It is unfortunate that there have been instances, particularly lately, where taxidrivers have been given a particularly hard time, and in some cases fatalities have occurred in the industry in very unfortunate circumstances, so much so that the industry itself

sought representation and got access to the minister who listened clearly to their issues, what they had to say and what needed to be done to improve this industry for the public. Again, a minister of this government has listened and acted.

I do not have a great deal of time tonight to contribute to the debate on this bill, but I have an important response to a question asked by Mr Bishop of a ministerial adviser at a briefing on the legislation. It is about what happens when a licensee loses a licence and the assignee is then caught in the situation where he rents, if you like, the licence. I should like to read verbatim the response by the minister for the benefit of Mr Bishop. It states:

The bill makes provision for a licence-holder's accreditation to be suspended or cancelled in very serious circumstances. Where this happens, all licences held by the licence-holder are also suspended or cancelled. Hence, for any assignee of one of these licences, there would no longer be a licence under which he or she could legally operate the taxi.

Assignees pay a significant amount to the licence-holder (on average \$24 000 per annum) and almost always also provide the vehicle. It has been pointed out that this would seem to be very unfair to an assignee were this situation allowed to occur.

The government agrees that, were this to happen, it would definitely be unfair and would not be consistent with the intent of the accreditation scheme. On behalf of the government, I assure the house, however, that mechanisms already exist which address this issue.

In the very rare event that consideration was being given to suspend or cancel a licence-holder's accreditation, the Victorian Taxi Directorate would be able to take actions to protect the assignee.

That addresses the concerns raised by Mr Bishop. We have already heard contributions from those opposite about the industry and how important it is to our society. Anybody who has been caught outside the casino late on a Friday night or early Saturday morning looking for a taxi will know how important it is that we have a good, strong and viable industry and one that rewards everyone within it.

Arguably drivers are not remunerated anywhere near the extent they should be, and that is a matter that can be addressed through the normal industrial activity that one relates to the Labor Party — that is, join a union. I would suggest they would have much more chance of improving their circumstances if they were to do that.

The government is doing what is necessary to improve the circumstances of the industry and to provide a better service that is accessible to the community at large. I commend the bill to the house.

Motion agreed to.

Read second time.

Ordered to be committed next day.

Business interrupted pursuant to sessional orders.

ADJOURNMENT

The PRESIDENT — Order! The question is:

That the house do now adjourn.

Casey Hospital: high-dependency unit

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I raise a matter for the attention of the Minister for Health in the other place that relates to the Casey Hospital, which was opened by the Premier in October 2004. This, as the government has explained, has been the only new public hospital opened in Victoria for a number of decades. It was a completely new development at the time it was opened.

The government spent a great deal of money promoting that hospital and crowing about what it had achieved in opening the hospital, including putting out a considerable amount of publicity at the time, and indeed since the opening of the hospital in October 2004. Included in the material the government circulated was a statement that:

The hospital has a total of 229 beds and includes significant infrastructure such as a comprehensive emergency department, state-of-the-art operating theatres and a high dependency unit, fully equipped pharmacy and pathology services and advanced medical imaging equipment.

That would be a notable achievement, if it were true. As members would know by now, Casey Hospital has had a number of teething problems since it opened in October 2004. It had an emergency call system that did not work, and the hospital required medical staff to carry and use whistles to attract attention to emergency cases in the 18-month old Casey Hospital. It has a bus bay and a bus access road that are too small for buses, so it has not been able to be served by public transport for the two years it has been open.

I am now informed that the high-dependency unit that the government has spent a lot of time and money promoting as one of the key features of Casey Hospital has no patients and has not operated since the hospital was opened almost two years ago. We have this high-dependency unit, which the government spent a lot of money promoting, yet it has not had any patients

in the two years it has been open because it is not staffed.

My request to the Minister for Health this evening is that she take immediate action to ensure that that high-dependency unit at Casey Hospital is opened. It is an important facility for the benefit of my constituents in the south-eastern suburbs and it is about time this government, including this minister, stopped spending on spin about the Casey Hospital and actually committed those funds to opening that high-dependency unit.

Water: Bendigo stormwater

Hon. D. K. DRUM (North Western) — My adjournment matter this evening is for the Minister for Water. One of the prerequisites for a matter to be raised in the adjournment debate is that it must ask the minister to actually do something.

The DEPUTY PRESIDENT — Order! I am glad you have learnt that, Mr Drum.

Hon. D. K. DRUM — It might be stretching things a bit with this minister in the current environment, but we will give it a go. I ask the minister to consider a revision of a water plan that I have put up which would effectively enable us to capture more stormwater on the Bendigo Creek. The original plan was to locate a holding reservoir at Huntly, which would have had the ability to capture approximately 10 000 megalitres of stormwater per annum, with a maximum of 2000 megalitres of stormwater per storm event. The original plan attempted to share the infrastructure that is currently being installed to carry recycled effluent back to Bendigo's storages. Neither the government nor its water authority would permit the mixing of the recycled sewage water with stormwater, because if it had eventually spilt back into Lake Eppalock it would have created a situation of recycled effluent being mixed with potential drinking water.

Not to be deterred, we have been working through the various barriers that have been put in our way, and we believe the proposed new location of the holding reservoir should alleviate many of the concerns previously held by the government. By siting the holding reservoir at Goornong, which is approximately 6 to 8 kilometres to the east, we will enable some additional tributaries to flow into the Bendigo Creek upstream of the intended catchment. This will potentially increase the yield to approximately 12 000 to 15 000 megalitres per annum. From Goornong we would be only 23 kilometres away from a direct pipeline straight through to Eppalock, so we could put

the stormwater straight into Eppalock — after treatment, if necessary. This will effectively have the potential to avoid any contact with the recycled effluent. We would also avoid the need to build a new holding reservoir or storage facility to the south of Bendigo, which Coliban Water and the government believed was going to be necessary if we had the other site.

To add even more financial credibility to the scheme, we may well be able to link the new holding reservoir with the proposed pipeline linking Colbinabbin to Lake Eppalock. That pipeline would be only 12 kilometres from Goornong, the proposed site of the new reservoir. We also have the potential to possibly use the water in the Campaspe River, which would be only 3 kilometres to the east. That proximity may very well provide other options, such as putting the water into the Campaspe River to provide the Campaspe irrigators and diverters with the opportunity of using that water and keeping the water previously allocated in Eppalock.

I hope the minister will look at the revised plan, give it his full attention and hopefully come back with any other areas where he needs assistance.

Warburton: commercial firewood access

Hon. E. G. STONEY (Central Highlands) — I have an issue for the Minister for Agriculture in the other place, Mr Cameron, who is also responsible for forestry. It regards the high-handed approach of the minister to a constituent of mine, a Mr Mick Stormer of Warburton, who is a small commercial firewood supplier. Mr Stormer requested to meet the minister at a much-publicised community cabinet meeting in the Yarra Valley recently. He wanted to meet the minister because he is unable to access commercial firewood through VicForests and/or the Department of Sustainability and Environment. Mr Stormer was so upset at the way he was treated that he wrote a letter to the local papers and copied it to me. It reads as follows:

I have been reading in the local press government claims that the Yarra Valley community cabinet was wonderful and helped everyone.

I disagree.

After spending the last two years writing letters and making phone calls all in effort to keep my small firewood business going, the recent community cabinet seemed like the perfect opportunity to solve the problems faced by small operators like me.

After sending in my submission I received a phone call saying my concerns apparently didn't warrant wasting any of the minister's time and I would get a reply in the mail.

This is the concerning bit:

Less than an hour later I received another call, this time from a cabinet security officer. He had reviewed my submission and while he sympathised with my problem, saying, 'Mate, you have been shafted', he informed me that it was his job to ring all the unsuccessful applicants and ask them not to turn up on the day.

Mr Stormer goes on:

A couple of weeks later I received my reply in the mail. I was advised of actions I could take to solve my dilemma. Unfortunately when I contacted the relevant department I was told, 'Sorry, mate, the minister has been given the wrong advice'. So I am back where I started. Maybe I would have had more luck if I had have just turned up and threatened to spoil the minister's photo opportunity! Obviously that was more important to him than helping me, being a timber worker. I probably should have known better.

But then again Steve did promise to govern for all Victorians.

He did, didn't he?

The minister's letter contains a paragraph in which the minister advises:

... to continue to discuss your needs with VicForests regarding a long-term supply of commercial firewood. I understand VicForests can supply you with delivered firewood at wholesale prices at any time.

Mr Stormer tells me that this paragraph is completely wrong and that VicForests does not sell firewood wholesale but tenders out. Mr Stormer says that this bloke — referring to the minister — has got no idea. As members know, VicForests tenders for only large amounts, which does not assist Mr Stormer.

I ask the minister not to shaft people with spin and to revisit his inaccurate advice and give Mr Stormer some real assistance to access commercial firewood in small quantities, which he requires to run his business. He runs a very valuable operation around Warburton for families.

Rail: Rosanna crossing

Hon. BILL FORWOOD (Templestowe) — I wish to raise an issue with the Minister for Transport in the other place, concerning safety at the Rosanna railway station. There is a crossing at the Rosanna railway station that leads from the car park across to the platform. This is separate from the one up on Rosanna Road itself. Recently I inspected this particular site in the company of some local residents. What is apparent is that because this particular crossing, which is a formed crossing, does not have gates, bells or anything, people just tend to go across. There are two major concerns about it. One is that trains coming from Macleod, where they wait until they are ready, just go

straight through the railway stations; they do not stop. People tend to think that trains coming from the Hurstbridge area always stop, but they do not.

Recently a guy in a wheelchair was crossing there, which is the reason that I became involved. The guy only just made it across, as the train went hurtling past with the bell on high volume. For trains coming from the other direction, from the city, there is a bend. This crossing is about 50, 60 or maybe 100 metres from the bend. It is possible for the elderly who are using that crossing to find themselves at risk. I do not want the crossing, which has been put there for people using the car park, to be closed so that people are forced to walk to Rosanna Road, which would be the simple way of solving the problem. However, we need to ensure the crossing is managed properly and appropriately. I seek the urgent assistance of the minister to ensure that happens.

I do not want to be a scaremonger, but the thing that worries the heck out of me when I see something like this is that if someone does not take a look at it and take some action quickly, there may end up being an accident we do not want to have happen. I encourage the minister to address this important safety issue at the Rosanna railway station as quickly as possible.

Vietnamese community: *Viet Times* — *Thoi Bao*

Hon. S. M. NGUYEN (Melbourne West) — I wish to raise an issue with the Minister assisting the Premier on Multicultural Affairs in the other place, Mr Pandazopoulos, about the *Viet Times* — *Thoi Bao* newspaper, which is supposedly for Vietnamese-Australians in our community. Instead this newspaper and the faceless people who manage the affairs of this publication are hell-bent on defaming Vietnamese-Australians and inciting hatred. The newspaper continues to publish untruths and attack ordinary individuals in the community, using its privileged position of supposedly disseminating newsworthy information.

The editors of this paper have no real journalistic training. They simply use this paper as a tool, a mechanism and a forum for developing their own faceless power base and manipulating the Vietnamese community. Ordinary working Vietnamese-Australians in my electorate do not have the money to litigate and clear their names once they have been attacked by this scurrilous newspaper. Litigation is expensive. For too long this paper has had a free rein, saying what it wants and being accountable to no-one. It is a privilege to be an editor of a newspaper and to publish articles that reflect what life is about in Australia. It is a privilege to

write about issues that impact upon people's lives, such as employment, work-life balance, education and health. But unfortunately this newspaper does not write about life in Australia. Instead it attacks ordinary people, who in the end have no right of reply. Now is not the time to attack innocent people. Now is the time for ordinary Vietnamese-Australians to work together to continue making Victoria the best place to live, raise children, work and develop their lives.

This newspaper is controlled by Nguyen Thanh Hung. It offers no right of reply but simply dumps on people and divides the community. I call on the minister to examine whether it is breaching the Racial and Religious Tolerance Act by inciting hatred in the Victorian Vietnamese-Australian community.

Ambulance services: Central Highlands region

Ms HADDEN (Ballarat) — My adjournment matter this evening is for the Minister for Health in the other place, the Honourable Bronwyn Pike. The Central Highlands region mayors and chief executive officers have requested that the minister give serious consideration to the paramedic ambulance service delivery in the region as a matter of urgent priority, and that she take urgent action to increase realistically the resourcing of ambulance paramedics in the region — for example, Hepburn Shire Council is very concerned that unnecessary deaths will result if the ambulance service does not improve to meet the community's current high expectations of the competence of the ambulance service.

Information provided by the Victorian branch of Ambulance Employees Australia on issues around paramedic ambulance services in particular states that 37 per cent of people who have a cardiac arrest in Melbourne will be resuscitated by up to six paramedics and mobile intensive care ambulance paramedics, while in the Hepburn shire only one paramedic is usually on duty at a time and the survival rate is just 12 per cent. Major delays can occur in the region, particularly if the local paramedic is on another case, is awaiting support before heading to a case, is at the scene awaiting support or is on a fatigue break, having been on duty for an extended period, and the closest available paramedic staff are 35 or so kilometres away.

These examples particularly relate to the Hepburn shire, but they also reflect concerns across the Central Highlands region and particularly in rural shires. For example, Daylesford's ambulance station opened in 1969 with two paramedics for the then population of 2000. Today it still has two paramedics and serves a population of 6000, which swells to in excess of 30 000

during the tourist season. The tourist season probably extends for about 11 months of the year now, as Daylesford, in the spa country of Victoria and Australia, is a very popular place.

The new resuscitation guidelines issued by the Australian Resuscitation Council for patients in cardiac arrest require a minimum of three paramedics. People in the Central Highlands region and those served by the Daylesford ambulance station require equivalent care to their city counterparts. The lack of paramedics is a longstanding concern, and I ask the minister to undertake the action that I initially sought.

Responses

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The Honourable Gordon Rich-Phillips raised a matter for the Minister for Health in the other place concerning the high-dependency unit at Casey Hospital.

The Honourable Damian Drum raised a matter for the Minister for Water in the other place concerning the water plan and sought alternatives.

The Honourable Graeme Stoney raised a matter for the Minister for Agriculture in the other place concerning a constituent, Mick Stormer, and small quantities of commercial firewood.

The Honourable Bill Forwood raised a matter for the Minister for Transport in the other place concerning safety at the Rosanna railway station crossing.

The Honourable Sang Nguyen raised a matter for the Minister assisting the Premier on Multicultural Affairs concerning the *Viet Times* — *Thoi Bao* Vietnamese newspaper.

Ms Hadden raised a matter for the Minister for Health concerning the paramedic service in the Central Highlands region.

Those matters will be forwarded to the respective ministers.

The DEPUTY PRESIDENT — Order! The house stands adjourned.

House adjourned 10.19 p.m.

