PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

12 October 2004

(extract from Book 3)

Internet: www.parliament.vic.gov.au/downloadhansard

By authority of the Victorian Government Printer

The Governor

JOHN LANDY, AC, MBE

The Lieutenant-Governor

Lady SOUTHEY, AM

The Ministry

Premier and Minister for Multicultural Affairs	The Hon. S. P. Bracks, MP
Deputy Premier, Minister for Environment, Minister for Water and Minister for Victorian Communities	The Hon. J. W. Thwaites, MP
Minister for Finance and Minister for Consumer Affairs	The Hon. J. Lenders, MLC
Minister for Education Services and Minister for Employment and Youth Affairs	The Hon. J. M. Allan, MP
Minister for Transport and Minister for Major Projects	The Hon. P. Batchelor, MP
Minister for Local Government and Minister for Housing	The Hon. C. C. Broad, MLC
Treasurer, Minister for Innovation and Minister for State and Regional Development	The Hon. J. M. Brumby, MP
Minister for Agriculture	The Hon. R. G. Cameron, MP
Minister for Planning, Minister for the Arts and Minister for Women's Affairs	The Hon. M. E. Delahunty, MP
Minister for Community Services	The Hon. S. M. Garbutt, MP
Minister for Police and Emergency Services and Minister for Corrections	The Hon. A. Haermeyer, MP
Minister for Manufacturing and Export and Minister for Financial Services Industry	The Hon. T. J. Holding, MP
Attorney-General, Minister for Industrial Relations and Minister for Workcover	The Hon. R. J. Hulls, MP
Minister for Aged Care and Minister for Aboriginal Affairs	The Hon. Gavin Jennings, MLC
Minister for Education and Training	The Hon. L. J. Kosky, MP
Minister for Sport and Recreation and Minister for Commonwealth Games	The Hon. J. M. Madden, MLC
Minister for Gaming, Minister for Racing, Minister for Tourism and Minister assisting the Premier on Multicultural Affairs	The Hon. J. Pandazopoulos, MP
Minister for Health	The Hon. B. J. Pike, MP
Minister for Energy Industries and Minister for Resources	The Hon. T. C. Theophanous, MLC
Minister for Small Business and Minister for Information and Communication Technology	The Hon. M. R. Thomson, MLC
Cabinet Secretary	Mr R. W. Wynne, MP

Legislative Council Committees

Privileges Committee — The Honourables W. R. Baxter, Andrew Brideson, H. E. Buckingham and Bill Forwood, and Mr Gavin Jennings, Ms Mikakos and Mr Viney.

Standing Orders Committee — The President, Ms Argondizzo, the Honourables B. W. Bishop and Andrea Coote, Mr Lenders, Ms Romanes and the Hon. E. G. Stoney.

Joint Committees

Drugs and Crime Prevention Committee — (*Council*): The Honourables C. D. Hirsh and S. M. Nguyen. (*Assembly)*: Mr Cooper, Ms Marshall, Mr Maxfield, Dr Sykes and Mr Wells.

Economic Development Committee — (*Council*): The Honourables B. N. Atkinson and R. H. Bowden, and Mr Pullen. (*Assembly*): Mr Delahunty, Mr Jenkins, Ms Morand and Mr Robinson.

Education and Training Committee — (*Council*): The Honourables H. E. Buckingham and P. R. Hall. (*Assembly*): Ms Eckstein, Mr Herbert, Mr Kotsiras, Ms Munt and Mr Perton.

Environment and Natural Resources Committee — (*Council*): The Honourables Andrea Coote, D. K. Drum, J. G. Hilton and W. A. Lovell. (*Assembly*): Ms Duncan, Ms Lindell and Mr Seitz.

Family and Community Development Committee — (*Council*): The Hon. D. McL. Davis and Mr Smith. (*Assembly*): Ms McTaggart, Ms Neville, Mrs Powell, Mrs Shardey and Mr Wilson.

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.

Law Reform Committee — (*Council*): The Honourables Andrew Brideson and R. Dalla-Riva, and Ms Hadden. (*Assembly*): Ms Beard, Mr Hudson, Mr Lupton and Mr Maughan.

Library Committee — (*Council*): The President, Ms Argondizzo and the Honourables C. A. Strong, R. Dalla-Riva and Kaye Darveniza. (*Assembly*): The Speaker, Mr Carli, Mrs Powell, Mr Seitz and Mr Thompson.

Outer Suburban/Interface Services and Development Committee — (*Council*): Mr Scheffer and Mr Somyurek. (*Assembly*): Mr Baillieu, Ms Buchanan, Mr Dixon, Mr Nardella and Mr Smith.

Public Accounts and Estimates Committee — (*Council*): The Honourables W. R. Baxter, Bill Forwood and G. K. Rich-Phillips, and Ms Romanes. (*Assembly*): Ms Campbell, Mr Clark, Mr Donnellan, Ms Green and Mr Merlino.

Road Safety Committee — (*Council*): The Honourables B. W. Bishop, J. H. Eren and E. G. Stoney. (*Assembly*): Mr Harkness, Mr Langdon, Mr Mulder and Mr Trezise.

Rural and Regional Services and Development Committee — (*Council*): The Honourables J. M. McQuilten and R. G. Mitchell. (*Assembly*): Mr Crutchfield, Mr Hardman, Mr Ingram, Dr Napthine and Mr Walsh.

Scrutiny of Acts and Regulations Committee — (*Council*): Ms Argondizzo and the Hon. A. P. Olexander. (*Assembly*): Ms D'Ambrosio, Mr Jasper, Mr Leighton, Mr Lockwood, Mr McIntosh, Mr Perera and Mr Thompson.

Heads of Parliamentary Departments

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

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

Hansard — Chief Reporter: Ms C. J. Williams

Library — Librarian: Ms G. Dunston

Joint Services — Director, Corporate Services: Mr S. N. Aird
Director, Infrastructure Services: Mr G. C. Spurr

MEMBERS OF THE LEGISLATIVE COUNCIL

FIFTY-FIFTH PARLIAMENT — FIRST SESSION

President: The Hon. M. M. GOULD

Deputy President and Chair of Committees: Ms GLENYYS ROMANES

Temporary Chairs of Committees: The Honourables B. W. Bishop, R. H. Bowden **,** Andrew Brideson, H. E. Buckingham, Ms D. G. Hadden, the Honourable J. G. Hilton, Mr R. F. Smith and the Honourable C. A. Strong

Leader of the Government:
Mr J. LENDERS

Deputy Leader of the Government:
Mr GAVIN JENNINGS

Leader of the Opposition:
The Hon. P. R. DAVIS

Deputy Leader of the Opposition:
The Hon. ANDREA COOTE

Leader of the National Party:
The Hon. P. R. HALL

Deputy Leader of the National Party:
The Hon. D. K. DRUM

Member	Province	Party	Member	Province	Party
Argondizzo, Ms Lidia	Templestowe	ALP	Jennings, Mr Gavin Wayne	Melbourne	ALP
Atkinson, Hon. Bruce Norman	Koonung	LP	Koch, Hon. David	Western	LP
Baxter, Hon. William Robert	North Eastern	NP	Lenders, Mr John	Waverley	ALP
Bishop, Hon. Barry Wilfred	North Western	NP	Lovell, Hon. Wendy Ann	North Eastern	LP
Bowden, Hon. Ronald Henry	South Eastern	LP	McQuilten, Hon. John Martin	Ballarat	ALP
Brideson, Hon. Andrew Ronald	Waverley	LP	Madden, Hon. Justin Mark	Doutta Galla	ALP
Broad, Ms Candy Celeste	Melbourne North	ALP	Mikakos, Ms Jenny	Jika Jika	ALP
Buckingham, Hon. Helen Elizabeth	Koonung	ALP	Mitchell, Hon. Robert George	Central Highlands	ALP
Carbines, Mrs Elaine Cafferty	Geelong	ALP	Nguyen, Hon. Sang Minh	Melbourne West	ALP
Coote, Hon. Andrea	Monash	LP	Olexander, Hon. Andrew Phillip	Silvan	LP
Dalla-Riva, Hon. Richard	East Yarra	LP	Pullen, Mr Noel Francis	Higinbotham	ALP
Darveniza, Hon. Kaye	Melbourne West	ALP	Rich-Phillips, Hon. Gordon Kenneth	Eumemmerring	LP
Davis, Hon. David McLean	East Yarra	LP	Romanes, Ms Glenyys Dorothy	Melbourne	ALP
Davis, Hon. Philip Rivers	Gippsland	LP	Scheffer, Mr Johan Emiel	Monash	ALP
Drum, Hon. Damian Kevin	North Western	NP	Smith, Mr Robert Frederick	Chelsea	ALP
Eren, Hon. John Hamdi	Geelong	ALP	Somyurek, Mr Adem	Eumemmerring	ALP
Forwood, Hon. Bill	Templestowe	LP	Stoney, Hon. Eadley Graeme	Central Highlands	LP
Gould, Hon. Monica Mary	Doutta Galla	ALP	Strong, Hon. Christopher Arthur	Higinbotham	LP
Hadden, Ms Dianne Gladys	Ballarat	ALP	Theophanous, Hon. Theo Charles	Jika Jika	ALP
Hall, Hon. Peter Ronald	Gippsland	NP	Thomson, Hon. Marsha Rose	Melbourne North	ALP
Hilton, Hon. John Geoffrey	Western Port	ALP	Viney, Mr Matthew Shaw	Chelsea	ALP
Hirsh, Hon. Carolyn Dorothy	Silvan	ALP	Vogels, Hon. John Adrian	Western	LP

CONTENTS

TUESDAY, 12 OCTOBER 2004

Tuesday, 12 October 2004

The PRESIDENT (Hon. M. M. Gould) took the chair at 2.02 p.m. and read the prayer.

ROYAL ASSENT

Message read advising royal assent to:

Aboriginal Lands (Amendment) Act
Crimes (Dangerous Driving) Act
Evidence (Witness Identity Protection) Act
Interpretation of Legislation (Amendment) Act
Major Crime (Special Investigations Monitor) Act
Major Crime Legislation (Office of Police Integrity) Act
National Parks (Additions and Other Amendments) Act
Sentencing (Superannuation Orders) Act.

DRUGS, POISONS AND CONTROLLED SUBSTANCES AND THERAPEUTIC GOODS (VICTORIA) ACTS (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Mr GAVIN JENNINGS (Minister for Aged Care).

CONSTITUTION (RECOGNITION OF ABORIGINAL PEOPLE) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Mr GAVIN JENNINGS (Minister for Aboriginal Affairs).

MAGISTRATES' COURT (FAMILY VIOLENCE) BILL

Introduction and first reading

Received from Assembly.

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

QUESTIONS WITHOUT NOTICE

Wind farms: planning

Hon. PHILIP DAVIS (Gippsland) — I direct a question without notice to the Minister for Energy Industries. Former federal Labor member of the House of Representatives for McMillan, Christian Zahra, in a letter to constituents, said:

> My position has always been that wind power stations are not an appropriate fit for the beautiful South Gippsland coast and that they should only go where local communities support them.

The Bracks government has steadfastly refused to adopt the position and policy put by Mr Zahra. Will the minister now consider reviewing the policy of excluding local communities from decisions on the locating of wind farms?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — Let me make this clear to the honourable member for Gippsland Province: this government has a target of installing 1000 megawatts of wind capacity in this state, and it will not be deterred from that target. We will continue to do it, because it is the right thing to do. It is the right thing to do for the environment; it is the right thing to do for jobs in rural Victoria; and it is the right thing to do for our responsibilities internationally in reducing greenhouse gas emissions. For all those reasons we will continue to show leadership in this issue, notwithstanding the efforts of the opposition to try to undermine these important initiatives and this important new industry.

We are sensitive to the location of wind farms. The honourable member might be interested in some of these statistics. I had an inkling that he might come in here and ask me about the result down in McMillan. There are two polling booths potentially in places where wind farms might be an issue: one is in Foster and the other is in Inverloch. Let me explain to the house what happened in those two polling booths in the federal election on Saturday. In Foster the Labor Party's primary vote went up by 6.82 per cent — by 6.82 per cent! — and in Inverloch the Labor Party's primary vote — —

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — By how much did it go up in Inverloch? It went up by 8.57 per cent. Quite clearly the people of Foster did not vote against the federal opposition — they actually voted in favour of the federal opposition.

Hon. Bill Forwood — How come they lost!

Hon. Philip Davis interjected.

Hon. T. C. THEOPHANOUS — I know you are thick!

The PRESIDENT — Order! The Leader of the Opposition asked a question of the minister, and I am sure he is interested in the minister's response. I ask members on my left to stop interjecting and to allow the minister to conclude his remarks.

Hon. T. C. THEOPHANOUS — Just in case some of those members on the other side cannot understand the answer, which is simple, in Foster and Inverloch our vote went up. It is not that hard to understand.

Hon. C. A. Strong interjected.

Hon. T. C. THEOPHANOUS — It is not, is it Mr Strong, but you do not seem to be able to. In response to the honourable member's question: we will continue to put and approve wind farms in appropriate locations in this state.

Supplementary question

Hon. PHILIP DAVIS (Gippsland) — I think the figures the minister was quoting were from a train wreck! On 14 September the minister said, which I shall paraphrase, 'We are determined to bring about a significant amount of wind energy in the state'. Further he said, and I shall paraphrase, 'We will do so irrespective of the opposition'. The minister has just said 'and we will not be deterred'. Given that the federal election result, especially in South Gippsland, clearly indicates the community's contempt of such arrogance I ask: will the minister reconsider his enthusiasm for denying local government a proper role in wind farm decisions?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — Mr Davis must be really thick not to understand a fundamental thing. I do not know how to answer this, but perhaps I can do it by way of a poem which was sent to me and which went like this:

My name is Ted.
I do not like wind energy.
I do not like it by the sea.
I do not like it near a tree.
I do not like it near a house.
I do not like it north or south.

Hon. Philip Davis — On a point of order, President, I have asked a deliberate question about government policy on local government involvement in wind farms. The minister is responding to a serious question in a flippant and trivial way. I ask you, President, to bring him back to the question and to save the poems for some other time.

The PRESIDENT — Order! The minister has 23 seconds to respond to the supplementary question, and I ask him to do so.

Hon. T. C. THEOPHANOUS — It continues:

I simply cannot see the need.
I do not like it here or there.
I do not like it ANYWHERE!
Why can't we just keep digging coal?
My Rio shares are on a roll.
There is no truth to climate change.
Don't look at me like I am strange.

Sport and recreation: facility grants

Ms ARGONDIZZO (Templestowe) — My question is directed to the Minister for Sport and Recreation. I ask the minister to outline to the house how the Bracks government is getting on with the job and setting the pace ahead of the federal coalition government in support for community sport and recreation facilities in Victoria.

Honourable members interjecting.

The PRESIDENT — Order! I am sure opposition members will be interested in the answer, because I am sure they did not hear the question.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — We are getting on with the job, because in the past five years — —

Hon. Bill Forwood — On a point of order, President, because of the noise in the chamber many honourable members did not hear the question, and it is only appropriate that members in this house hear the question before the minister answers, as they are entitled to do.

The PRESIDENT — Order! If members on my left want to hear the question, then I ask them to desist from interjecting while the question is being asked. It was the members on my left who were making the noise. I heard the question. For the benefit of the house I will ask the honourable member to repeat her question to the Minister for Sport and Recreation, and I ask all members on both sides to desist from interjecting.

Ms ARGONDIZZO (Templestowe) — My question is directed to the Minister for Sport and Recreation. I ask the minister to outline to the house how the Bracks government is getting on with the job and setting the pace ahead of the federal coalition

government in support of community sport and recreation facilities in Victoria.

Hon. J. M. MADDEN — I thank the honourable member for her particular interest in community sport and recreation facilities. We are getting on with the job. In the past five years Victoria has had the most substantial annual increase in the physical activity of its citizens of any state in Australia. That is because since coming to office we have allocated funds for more than 1100 community facility projects across the state — a contribution exceeding $86.5 million. Of this amount, almost $52 million or 60 per cent has been allocated towards 688 projects located in regional and rural communities, and $34.5 million or 40 per cent of the available funding pool has gone towards 438 projects located in metropolitan Melbourne.

Today I am pleased to inform the house that I have called on sport and recreation organisations to join with their local councils to apply for the latest round of community facility funding programs. This year's $16.5 million funding allocation will bring the total government investment in community facilities funding since 2000 to over $100 million. Project submissions close on 19 November for major facilities, and on 10 December for Better Pools, planning and minor facilities.

I call upon all members of the chamber, particularly opposition members, to ensure that they encourage their local communities. I might even call on some of the federal members to do that because in relation to the federal government and community facilities, it is particularly interesting that it does not tend to fund them at all. But I had to giggle because the federal member for Deakin, Phil Barresi, put out a media release — —

Honourable members interjecting.

Hon. J. M. MADDEN — It is interesting when the cockroaches on the other side of the chamber finally come out — —

Hon. Philip Davis — On a point of order, President, I do not believe that I need raise this point of order as it is quite evident that the minister's remark is completely offensive to members of this house, and he should withdraw.

The PRESIDENT — Order! The Leader of the Opposition takes offence to the words used by the minister when he referred to members on the other side, and I ask the minister to withdraw those words.

Hon. J. M. MADDEN — On the point of order, President — —

Honourable members interjecting.

The PRESIDENT — Order! The minister has a problem because I rose to my feet without giving him an opportunity to comment on the point of order. I ask him to withdraw.

Hon. J. M. MADDEN — I withdraw. Can I get back to the community facilities funding program? I call upon members to address this issue by raising it amongst their own communities. I had to giggle because in a press release that Mr Phil Barresi issued during the election campaign he suggested that the federal government was contributing $50 000 to a project that we had already funded — a project that had already been approved by the local council and funded by this government. In his press release Mr Barresi suggested he was funding that project to the tune of $50 000. I do not have a problem if the federal government wants to make that contribution, but it is disappointing that the federal government does not fund community facilities projects all through its term rather than just in marginal seats during federal election campaigns. We will get on with the job through the term of our government in growing the whole of the state with community facilities for all councils around Victoria.

Aged care: funding

Hon. ANDREA COOTE (Monash) — My question without notice is directed to the Minister for Aged Care. In a glowing endorsement of the Medicare Gold election policy of Mark Latham, the federal opposition leader, the minister said in this house 'by design it will also make an impact by ensuring that older members of the community get access to the spare capacity within the private health sector'.

We know the Latham Medicare Gold experiment has been overwhelmingly rejected by the Australian people. In Victoria there was a massive 3.5 per cent swing away from Mark Latham and his adventure policies such as Medicare Gold. What exactly is the 'spare capacity' within the private health care sector in Victoria?

Mr GAVIN JENNINGS (Minister for Aged Care) — The reason we on this side of the house find — and even the Chair may find — that to be a surprising question is that there is an ongoing shelf life for the concept of improving the quality of care for older members of the community. An undertaking was

given by the federal Labor Party before the most recent federal election and, yes — surprise, surprise! — in the context of the election result people may have said, 'Where does it stand as a concept in taking policy forward?'.

We in the Labor Party would say it has strong standing in taking policy forward, because if there is one thing older members of our community are confronted by daily, it is the cost of their health care. They need the certainty that when they need health care or residential aged care, the provision of services is funded in accordance with what is necessary to provide quality care. That is an ongoing concern.

The member may want to question whether this policy was adequately funded, and she may question whether it resonated with the concerns of the community, but I have not heard one health economist or another person who has commented on the policy indicate that there was not spare capacity in the private health sector. One provider after another came out during the course of the public consideration of this — Francis Sullivan from Catholic Health Australia and other private — —

Hon. Andrea Coote interjected.

Mr GAVIN JENNINGS — The member wants to talk about George Pell. I am very surprised that the member would like to raise the spectre of the relationship between Cardinal George Pell and the federal health minister, Tony Abbott, in the context of the way the people of Australia will remember Tony Abbott's contribution. Tony Abbott: the man who was quoted by Francis Sullivan, the head of Catholic Health Australia, as saying in his conversation with him that he was very supportive of the concept of Medicare Gold! However, Tony Abbott, as we all understand, has a very selective memory or maybe very comprehensive amnesia!

Hon. Andrea Coote — On a point of order, President, I ask you to draw the member back to the question. He is talking about personalities; he is not talking about the question. Would he like me to repeat the question? I would be very happy to repeat the question for him.

The PRESIDENT — Order! The minister has been going for — —

An honourable member interjected.

The PRESIDENT — Order! No, not 3 minutes yet. He was responding to an interjection by the Deputy Leader of the Opposition, but I do ask him to come back and respond to the question put before him.

Mr GAVIN JENNINGS — I thank the Chair, and I thank continually the shadow minister for the opportunities given to me to talk on these matters. It is appropriate that I am responding by referring to the relationship between Tony Abbott and Cardinal George Pell — it is something that Tony Abbott drew attention to by forgetting that they had had a conversation! But once pushed, he said, 'Oh, now that you mention it, I might have had a meeting with the cardinal'. Tony Abbott some day soon may remember his conversation with Francis Sullivan!

He may remember that when he was briefed by the private health care sector he acknowledged that there was some spare capacity, because the people of Australia who do not have private health insurance — and 440 000 older members of the community over the age of 75 fall into that category — never see access to private health services as an opportunity they may be interested in achieving. The health minister, Tony Abbott, had, in private, conceded the merit of that proposal, and it is the merit of the proposal that is worth considering now and in the future.

Supplementary question

Hon. ANDREA COOTE (Monash) — Is the minister intending to emulate Mark Latham's failed Medicare Gold policy and force the private sector to 'relinquish' its spare capacity in Victoria?

Mr GAVIN JENNINGS (Minister for Aged Care) — The reason I love these questions is that they provide me with an opportunity to say that our interest in providing quality health care in Victoria through the Victorian government and quality residential aged care is to work in cooperation and partnership, if we can, with the private sector, with private providers, and — we hope — the commonwealth government. In the interests of quality aged care provision, whether it is in health services, in hospitals or in residential aged care, I have called upon the commonwealth government consistently to work in cooperation with the state government and in partnership with all providers to make sure that we rise up to the expectations of our community. I call on the private health industry to look at creative ways in which it can work with both state and commonwealth jurisdictions to deliver these results.

Hon. Andrea Coote — Will you force them to?

Mr GAVIN JENNINGS — The member knows that I do not have an interest in forcing anybody to do anything. It is not the way I operate, but I am acutely interested in partnerships.

Consumer affairs: mobile phone contracts

Hon. J. H. EREN (Geelong) — My question is addressed to the Minister for Consumer Affairs. Can the minister advise the house how the Bracks government is getting on with the job and outline what actions are being taken to assist consumers who want to better understand their mobile phone contracts?

Mr LENDERS (Minister for Consumer Affairs) — I thank Mr Eren for his question and his ongoing interest in mobile phones. As members of the house will be aware, there are approximately 3.5 million mobile phones in Victoria, so each one of us will have these phones. Eight suppliers of mobile phones have contracts. Some of them are documents even more voluminous than answers to Mr Dalla-Riva's questions! Others are much smaller ones. Some of these documents are the size of budget paper 3 or the *Da Vinci Code* — that is, the length of the book.

As the house will recall, last year this Parliament passed legislation on unfair terms and contracts which amended the Fair Trading Act. Part of the purpose of that was to take unfair terms out of contracts. So we come to a situation where a consumer will go and purchase a mobile phone and be given a four-page summary of the contract, but underneath are documents of up to 554 pages full of terms and conditions which can sometimes be particularly unfair.

It is easy to identify the problem. The question is: what do we do about it? That is where we are getting on with the job of dealing with this. We have written to all eight telecommunications companies and have drawn to their attention unfair terms within their standard operating contracts. A number of the companies have come back — some of them in a positive fashion. Some of them are very slow and tardy about a way of dealing with these unfair mobile phone contracts.

We need to remember that, in my estimation, there are probably — with 3.5 million phones and a turnover of about one every two years — about 5000 contracts a day being signed in Victoria at the moment. The government has a critical role to assist in administering these areas to make them fair. We are talking of taking out things like unilateral change clauses, lock-in clauses, penalty clauses and limitations of liability.

I will take the house very briefly to the situation of a constituent for whom I acted a couple of weeks ago. Because that constituent, who is a teacher, was outside the mobile range of her contractor, she had to change the phone and briefly went to another carrier. The key point is that her mobile phone message was wrong. When she rang the supplier, the supplier told her, 'Well that is your bad luck. Because of a hardware and software change we cannot do anything about this for one month'. Here was a person trying to go away on a holiday and being told that, because of the terms buried in a contract, she could not change her message. Mr Atkinson is always interested in small businesses. I can imagine what a small businessman would do if he had given his work to a competitor for a week but was away for a month and suddenly had all the rest of his work going to the competitor while he was away.

What we are on about is engaging with these companies to get these things fixed. We are seeking cooperation, and Consumer Affairs Victoria is also exploring our options with injunctions and declarations under the act, because we want to remove from these large contracts the unfair terms which do not assist consumers but hinder them and which are all about an unfair balance between the strong and the less strong. We are working with the Australian Communications Industry Forum trying to get it to work through this, but the long and the short of it is that it is unacceptable that consumers have to wade through documents that can be 500 pages long to find those small things lurking there that say something that is fundamental — for example, that if the message on your phone is wrong, that is tough, you will have to wait a month because it does not suit what is going on and it is not in the terms.

We are getting on with the job. We have passed the legislation to deal with these unfair terms contracts, we are working with industry and working through the laws we have. We will get on with looking after consumers in consultation with industry. We are getting on with the job, and we are serious about looking after consumers.

Local government: boundaries

Hon. P. R. HALL (Gippsland) — My question without notice today is directed to the Minister for Local Government, Candy Broad. Does the government have in place a process to formally review the external boundaries of local government areas, and if so, how might community groups access this review process?

Ms BROAD (Minister for Local Government) — I thank the member for his question. The member will, I am sure, be aware that this government has taken the view that local government in Victoria, as a result of the policies and practices of the former government, has undergone a great deal of change in relation to external boundaries. That process involved every council in Victoria being sacked, commissioners being appointed

and new councils being established. Not content with that, councils were required to cut rates, to sell off assets, to reduce services and to cut employment, particularly in rural and regional Victoria.

It has taken councils across Victoria quite some time to re-establish themselves, and this government is determined to give them every assistance in treating them as an equal partner and as a level of government in their own right, which we have now recognised under the constitution. We will continue to work in partnership with local government to deliver services and infrastructure to local communities. In light of that change and on behalf of the government I have made it very clear to those local communities which for a variety of reasons wish to revisit the changes that were wrought on local government under the previous government — they either want to re-establish the councils that existed before those changes or are not satisfied with the performance of the replacement councils — that it is not the intention of this government to revisit those boundaries.

We believe it is the responsibility of all councils to work with local communities and their local government areas to resolve issues and address differences to ensure that they are representing all their constituents in each respective local government area. Whilst we have introduced what we believe is a very important measure to ensure that every two electoral cycles there is a reform of the internal voting structures of each local government area, it is not our intention, except under absolutely extraordinary circumstances, to revisit the matter of external boundaries.

The member will be aware that under the Local Government Act I have the power to consider very minor alterations where that is in the interests of local communities. However, that is a very limited and circumscribed power and one which would be exercised only in accordance with the act.

Supplementary question

Hon. P. R. HALL (Gippsland) — By way of a supplementary question, I simply ask the Minister for Local Government: given her government's total intransigence in considering a review of local government external boundary areas, am I therefore correct in assuming her endorsement for the changes of the Kennett government that actually got the boundaries right? Is that what you are saying?

An honourable member interjected.

Hon. P. R. HALL — One change out of how many?

Ms BROAD (Minister for Local Government) — I have on many occasions pointed out that the Labor Party in opposition opposed what the Kennett government did. However, given that those changes are now in place, we do not see that it is in the interests of local government to revisit those changes — certainly not so soon after they were put in place.

Gas: Casino project

Ms CARBINES (Geelong) — My question is directed to the Minister for Resources. Can the minister advise the house of how the Bracks government is getting on with the job and outline the recent developments in the oil and gas industry that will lead to greater energy security for Victorians and provide more job opportunities for provincial Victoria?

Hon. T. C. THEOPHANOUS (Minister for Resources) — I thank the honourable member for her question and her ongoing interest, particularly in relation to the announcement today. Today is very significant in the development of a major gas project for Victoria. Today I gave final approval for the construction and use of pipelines to Santos Ltd and its joint venture partners for the Casino project. These approvals represent the last set of approvals required by the joint venture partners for what is a massive investment to begin the development of that gas field. Santos also announced today that it and its joint venture partners have given the formal go-ahead for the development of the project. For members who might not be aware, the project involves the development of the Casino gas field, which is located approximately 30 kilometres offshore south-west of Port Campbell in the Otway Basin.

The project will require an investment by Santos and its partners of approximately $200 million and will provide a massive boost to the local area, including the creation of about 180 jobs during the construction phase. This is yet another major win for provincial Victoria and in particular for the south-west of the state, with the very real possibility of more to follow. The project has the potential to add hundreds of millions of dollars to the Victorian economy, and already Santos has announced that it has finalised massive gas sales with TXU Australia which could be worth in excess of $1.7 billion to Santos and the joint venture producers for gas and associated condensate. The deal means that Santos will supply TXU gas over 12 years for the Victorian or South Australian markets. This will lead to even greater security of supply for Victorian gas consumers.

The importance of this cannot be overstressed, because it provides another source of supply of natural gas in that region, which is growing significantly in its need for gas. Indeed the projections are that in south-eastern Australia there will be an increase of 30 per cent in gas requirements up to 2015. So the Casino project will come on stream, offer a new source of supply of natural gas and also add to our overall capacity to deliver natural gas for the future of Victoria.

The Casino project is expected to reach 35 petajoules per annum, which is a very significant amount, and has already proved a probable gas reserve of 285 petajoules, which adds significantly to the potential reserves in south-eastern Australia. This announcement today is yet another indication by a very significant company of its confidence in the Victorian economy, in the Bracks government's management of the Victorian economy and of the way in which we are doing business for all Victorians.

Aged care: funding

Hon. ANDREA COOTE (Monash) — My question is directed to the Minister for Aged Care. Last week in this house the minister was extolling the virtues of the federal Labor opposition's election promise to address some of what he called the critical shortfall in funding for the aged care sector. The government was very supportive of the promise by the federal opposition leader, Mark Latham, to provide $300 million in interest-free loans to provide for greater residential aged care and respite facilities. We now know that the Australian people overwhelmingly rejected Mark Latham's policies. Does the minister still think that interest-free loans will provide for greater residential aged care and respite facilities?

Mr GAVIN JENNINGS (Minister for Aged Care) — I comprehensively stand by my enthusiasm last week for this proposal. Anybody who has listened to anything that I have said in this chamber for the last two years on residential aged care knows that what I have been crying out for is capital injection into this sector. It is a requirement right around Australia and certainly within the state of Victoria.

We are 3244 residential aged care beds short of the commonwealth benchmark, and we have been consistently short of that benchmark over the last two years and beyond. The critical need is to provide access for capital to make sure there is investment in a sector that is chronically underfunded. The bed-day subsidies the commonwealth government supplies do not cover the depreciation and investment capital requirements of the industry. There is a glaring hole in the strategy brought down by the last commonwealth government in its last budget. It was identified in the budget papers in May this year that $10 billion worth of investment is required to meet the commonwealth benchmark in the next 10 years.

What did the commonwealth allocate in the last budget to support and leverage that and provide access for capital into the future? Not one cent! Not one cent was spent by the commonwealth government in providing for that capital injection in the future.

Last week I supported the Labor Party's proposition of providing interest-free loans for the sector. I will always support any policy direction from the commonwealth government of any political persuasion that will provide the mechanisms to bring much-needed capital into residential aged care throughout Australia and Victoria.

Supplementary question

Hon. ANDREA COOTE (Monash) — How much will the Bracks Labor government allocate to interest-free loans for residential and respite facilities in Victoria?

Mr GAVIN JENNINGS (Minister for Aged Care) — Anybody who has been in this chamber and listened to what I have said over the last two years clearly understands that the responsibility for funding, regulating, licensing and monitoring the standards of residential aged care in Australia belongs to the commonwealth government. It alone is responsible for making sure that funding is provided. Anybody in the community understands this. The community understands that it is the commonwealth's responsibility.

I have also said time and time again in this chamber that if it were not for the state government in Victoria recognising its contribution to older members of our community by providing for residential aged care through nearly 200 facilities right across Victoria, then we would be 10 000 beds short rather than the current number of 3324.

Aboriginals: family violence

Hon. J. G. HILTON (Western Port) — My question to the Minister for Aboriginal Affairs is about the serious issue of family violence in indigenous communities in Victoria. How is the Bracks government getting on with the job in addressing indigenous family violence and it causes?

Mr GAVIN JENNINGS (Minister for Aboriginal Affairs) — Last week the opposition was fairly keen to

demonstrate that it was concerned for the wellbeing of Aboriginal people in Victoria, and I hope it will continue in that enthusiasm to make sure that we as a community rise to meet the collective responsibility that we all have to work against family violence occurring in Aboriginal families. I think all of us should play a role in that within our daily life to try and support better community relationships and the strengthening of the capacity for Aboriginal families and individuals to work together in a harmonious environment within our community. We need to provide for that degree of support and encouragement.

I was very pleased yesterday, along with my ministerial colleague the Minister for Community Services, Sherryl Garbutt, to make a response to the Victorian Indigenous Family Violence Task Force. The Bracks government committed, through a range of programs — a package totalling $18.2 million — to supporting Aboriginal communities to overcome family violence and also establish, as part of that funding, the family violence division of the Magistrates Court in Victoria.

The task force, led admirably by Daphne Yarram and other members of the Aboriginal community, travelled the length and breadth of Victoria to discuss with communities how they believe programs should appropriately be designed and implemented to militate against family violence. After two years of that significant investment and examination by the task force the government believes it has achieved a significant spirit of partnership with the Aboriginal communities. We are getting on with the job, and we are quite proud of getting on with the job in the spirit of partnership and cooperation with the Aboriginal community. This funding will provide for the creation of holistic — —

Hon. Philip Davis — This is pathetic. No wonder your guys lost the election! You just have no idea. You have no significant new things.

The PRESIDENT — Order!

Mr GAVIN JENNINGS — My optimism is so great that I hope Mr Davis will rise up in the spirit of reconciliation and support Aboriginal communities. He may actually have fallen short of the rest of his team. I am grateful that the rest of his team recognises that there is a need, in the spirit of reconciliation and in the spirit of providing quality services to Aboriginal communities, for there to be some regard in this chamber for the wellbeing of Aboriginal people. The government is providing for healing centres. It is providing for advisory programs to support men who have inappropriately acted in an aggressive fashion to learn to harness and channel that frustration and anger into more productive ways of life. We are also supporting programs designed to work in through the family violence division of the Magistrates Court. Two pilots will be set up in Victoria to try to find ways in which the actions of the court itself can work against the ongoing proliferation of family violence.

We are also creating a network of Aboriginal families who will have the role of providing respite and care particularly for children who have become victims of family violence and who need that support in trying to resurrect their lives and become more confident and capable of dealing harmoniously with relationships in our community. That family decision-making program will create the opportunity where there will be a pool of families who will be supported to enhance this capacity. It builds on a great program that has operated in Shepparton, where there have been great breakthroughs in the support provided to young people. The Bracks government is very pleased to support this initiative in partnership with the Aboriginal community.

Electricity: brown coal

Hon. BILL FORWOOD (Templestowe) — I direct my question to the Honourable Theo Theophanous, the Minister for Energy Industries and Minister for Resources. I refer to the outstanding results of the federal coalition last Saturday in the seats of Gippsland and McMillan. Will the minister concede that the Bracks government's anti-brown coal policies, as evidenced by its treatment of Hazelwood Power and its loopy carbon tax proposals, were a factor in the Howard government winning these seats so convincingly?

Hon. Philip Davis — Good question! Are you getting on with the job, Theo?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — This question from Mr Forwood is absolutely bizarre, because I am not sure what anti-brown coal policies he is referring to. Maybe he is referring to our pro-wind energy policy. We certainly have a pro-wind energy policy. We also have a pro-brown coal policy based on the long-term future for brown coal.

Hon. Philip Davis interjected.

Hon. T. C. THEOPHANOUS — You may not want to hear the answer, Mr Davis, but Mr Forwood does, so if you will be quiet I will be able to answer it.

We do support brown coal in the Latrobe Valley, but we do so in the context of wanting to also take whatever steps we can to reduce emissions from brown coal power stations. That is the responsible thing to do. Our strategy and/or policy is twofold. One part of it is that we look for alternative forms of energy through wind, solar and other renewable sources; and the second string to our bow in what we are trying to achieve in the Latrobe Valley is to support the coal industry in delivering the base load power that we value in this state, but to do so having in mind a long-term strategy and a long-term set of proposals to reduce greenhouse gas emissions.

That is why we were so enthusiastic about the prospect raised by the announcement in East Gippsland by the federal opposition prior to the election of its preparedness to invest $150 million towards a gasification plant in the Latrobe Valley. In case Mr Forwood does not understand the significance of that, let me just take the house through it. Currently a gasification plant is being trialled in the Latrobe Valley. It is a 10-megawatt gasifier, but were we able to develop full size gasification plants we would be able to continue to use brown coal in the Latrobe Valley but with half the emissions that currently come out of our existing brown coal power stations. Members should think about the importance and significance of that. Where did we get leadership for that kind of policy? We got it from the federal opposition which was prepared to put in $150 million towards that very important project.

We support the development of brown coal. We also support the continuation of the Hazelwood power plant, but we do so in the context that Hazelwood also has a responsibility within the constraints of the technology available to it and the age of the plant to do what it can to reduce emissions over time.

I believe that the people at Hazelwood understand and accept that concept. Hazelwood is looking to a longer term future in the Latrobe Valley which involves that power station delivering about 18 per cent of Victoria's power and doing so with reduced emissions over time. That is a responsible policy, and that is the policy that this government is pursuing.

Supplementary question

Hon. BILL FORWOOD (Templestowe) — I thank the minister for his answer, and I make the point in passing that the $150 million gasification plant did not make much difference to Christian Zahra, but it certainly made a bit of a difference to Russell Broadbent! What action will the minister take to ensure that the jobs of Latrobe Valley coal workers are protected from his carbon tax proposals?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — First of all, the premise of the supplementary question put by the member is wrong, because we do not have and never have had a carbon tax proposal; in fact, we have specifically ruled out a carbon tax. Not only have I ruled it out, but the Premier has also ruled it out.

What we have and support — and I have been trying to explain to the honourable member the difference, but his mind is not capable of grasping it somehow — is a nationally based emissions trading scheme. It is nothing like, has nothing to do with and does not even resemble — and everybody in the industry except for Mr Forwood understands it — a carbon tax at all.

Housing: associations

Mr PULLEN (Higinbotham) — I address my question to the Minister for Housing, Ms Candy Broad. Can the minister outline how the Bracks government is getting on with the job of establishing affordable housing associations in a financially responsible way?

Ms BROAD (Minister for Housing) — I thank the member for his question and his continuing interest in our plans to build more low-cost housing in this state for low-income Victorians.

The Bracks government's plan to create additional affordable housing for lower income Victorians has moved an important step closer today with my announcement of six organisations earmarked as prospective housing associations. The government committed at the last election to create housing associations, to provide more choice and flexibility in affordable housing and to grow the amount of affordable housing available to low-income Victorian families in a financially responsible way.

Under this initiative a core group of not-for-profit housing associations will be established with $70 million capital assistance input from the Bracks government, which can be leveraged by these associations with non-government borrowings and other sources of capital. This is important because, by using government funds to attract other funding sources, we will be able to achieve more growth of

housing stock for low-income Victorians than if the government just spent funds on its own.

The six successful organisations were chosen after a rigorous process, and I am pleased to say they include Community Housing Limited, Loddon Mallee Housing Services Limited, Melbourne Affordable Housing Limited, the Port Phillip Housing Association, Supporting Housing Limited and Yarra Community Housing Limited. These community organisations all have a long history of providing affordable housing to low-income Victorians, and the government welcomes their willingness to partner with us in this exciting new initiative.

Two of the organisations importantly have a strong presence in country Victoria — that is, Community Housing and Loddon Mallee Housing Services. We will be meeting with the agencies to discuss practical and immediate ways of increasing the supply of affordable housing right across Victoria. I look forward to working with all of them once they are registered under the new legislation to come through this Parliament in this sitting.

The government has today also released a draft bill which is about regulating the operations of these new housing associations. This legislation will create an office of the registrar, which will be responsible for registering and regulating these associations and eventually all other community-funded housing agencies. This is important to give confidence to financiers as well as tenants and other business partners and to ensure that affordable housing for low-income Victorians is achieved and the stock is maintained as affordable housing.

We have consulted with more than 350 organisations, including local government, existing community-based housing providers, tenant advocates and public housing tenants about these new associations. I am pleased to say that we have widespread support for this strategy. Importantly the strategy will not affect public housing rents and tenancies, because public housing will remain the cornerstone of social housing in Victoria under the Bracks government.

Through this initiative the Bracks government is concentrating on building a better future for low-income Victorians who are in desperate need of more access to affordable housing.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 1260, 1507, 1786, 1788, 1789, 2868, 2869, 2871–78, 3012, 3333, 3340–42, 3410, 3411, 3637–39, 3645–47, 3653–55, 3661–63, 3669–71, 3727, 3799, 3837–39.

MEMBERS STATEMENTS

Gippsland: government policy

Hon. PHILIP DAVIS (Gippsland) — The *Great Southern Star* newspaper had an editorial on 31 August which was headlined 'How can we trust the ALP, Mr Zahra?'. It states:

> The state ALP has performed every mongrel act it could possibly perform in South Gippsland ...
>
> They dismissed the community's reasonable call for the undergrounding of Basslink.
>
> They have threatened our fishing industry with unnecessary 'no go' marine parks.
>
> They closed the 'battlers holiday spot' — The Gap camping ground.
>
> They have continually refused to meet with local people and with local shires.
>
> They're closing the Won Wron Prison.
>
> They won't face up to the problems of small town sewerage
>
> There's no timetable for the return of the train.
>
> And now they've forced unplanned wind farm developments on us.

The editorial further states:

> The state ALP has put the cart before the horse in allowing the turbines to go up before the planning, and Mr Zahra has not lifted a finger to do anything about it.

The editorial concludes with the following remark:

> Who should we vote for come October 9? It would certainly be hard to vote for the ALP locally at this stage!

I conclude that the question now arises: who should people in South Gippsland and country Victoria vote for on 25 November 2006? Certainly not the ALP!

Australian Labor Party: federal election

Mr SCHEFFER (Monash) — I congratulate the federal coalition's election win. Defeat is bitter, but the ALP is immensely resilient and will regroup. The loss

is a setback for the country and the ALP, but despite the doomsayers we have every chance of winning the next election. Mark Latham and the ALP team gave everything they had and deserve our respect.

The federal seat of Higgins ALP candidate, Paul Klisaris, increased the ALP vote by 2.4 per cent, with an overall swing to the ALP of 0.05 per cent — holding our own in a tough electorate. In Melbourne Ports, Michael Danby slipped slightly but still has a comfortable margin. On a two-party preferred basis the coalition has the support of 52 per cent of voters and the ALP has 48 per cent, with a swing of 2 per cent to the coalition. The change of seats was much greater because of the peculiarities of our voting system that rewards parties whose voters live close together and penalises parties whose voters are dispersed. That gave The Nationals on 5.8 per cent of the votes 12 seats in the House of Representatives and the Greens with 7 per cent no seats at all. The seats won by the coalition mask the fact that the vote change of a small minority is put out as a Labor rout but exaggerated into a vindication of the Prime Minister.

The 48 per cent of voters who opposed the coalition and voted for better health care, more equitable education provision, a better environment and worker protection deserve great credit. These voters stood fast in their refusal to support the coalition because they see a better Australia than does the Howard government.

Prime Minister: performance

Hon. ANDREW BRIDESON (Waverley) — Today I wish to pay tribute to an exceptional leader. John Winston Howard possesses four great qualities: first and foremost he is a gentleman; secondly, he has a superior intellect; thirdly, he has courage with determination; and fourthly, he has wisdom. The people of Australia recognise the difference between a leader and a street fighter, and they cast their vote accordingly. I congratulate John Howard, and I congratulate the people of Australia for making an informed decision.

Eureka: rebellion anniversary

Ms HADDEN (Ballarat) — By 1854 Ballarat had become known as the goldfields and democratic capital of Victoria, yet the unrest amongst the diggers was simmering. The new governor, Sir Charles Hotham, introduced twice-weekly licence inspections and personally toured the goldfields of Ballarat and Bendigo in the August and September months to quell the diggers' open objections against the £2 licence fee and harsh regulations. Governor Hotham further disappointed many when he failed to mention any goldfields reform at the opening of the Legislative Council on 21 September 1854.

The death of miner Mr Scobie after a brawl at the Eureka Hotel in Main Road in the October resulted in the coroner recording an open verdict. Subsequent murder charges were brought against the publican, Mr Bentley, his wife and a hotel lodger, but they were later acquitted. This infuriated the diggers so much that some 5000 diggers met and resolved to riot and burn and destroy Bentley's Eureka Hotel, which they did. This brought down the wrath of the Governor, who ordered reinforcements from the 40th regiment and more police to be sent to Ballarat.

Public unrest had become so great that the trial of the three diggers arrested over the burning of Bentley's hotel and the riot had to be held in Melbourne. Ballarat's Eureka rebellion which occurred around 3.30 a.m. on Sunday, 3 December 1854, brought about great changes to the lot of the digger. Mark Twain described the Eureka rebellion as a revolution — small in size, but great politically; a strike against injustice and oppression.

Federal government: women members

Hon. W. A. LOVELL (North Eastern) — I rise to congratulate the Prime Minister, John Howard, and the federal coalition government on the stunning win at last Saturday's federal election. In particular I would like to congratulate the four outstanding federal Liberal women members in my region: the Honourable Dr Sharman Stone in Murray; Sophie Panopoulos in Indi; The Honourable Fran Bailey in McEwen; and Susan Ley in Farrer. They all had large swings towards them. All four won their seats on primary votes and increased their margins on both primary and two-party preferred votes.

On a two-party preferred basis Sharman Stone had a swing of 2.5 per cent to give her 74.4 per cent of the vote. Sophie Panopoulos had a swing of 5.69 per cent, gaining 66.39 per cent of the vote. Fran Bailey had a swing of 3.61 per cent in a marginal seat to give her 55.93 per cent of the vote. Susan Ley gained 69.64 per cent of the two-party preferred vote, increasing her percentage by 19.5.

From the edge of Canberra to the fringes of Melbourne a blue ribbon of hardworking and dedicated Liberal women have been returned with increased majorities, because they are not afraid to stand up for their electorates and because they have worked hard to ensure those electorates are foremost in the minds of Canberra's decision-makers. These favourable swings

are an endorsement of their hard work and commitment to their electorates and of the policies of the federal coalition government which have supported country communities. This stands in stark contrast to the Bracks Labor government which promised so much to country Victoria and has delivered nothing but disappointment.

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

Federal government: election result

Hon. J. G. HILTON (Western Port) — I would also like to congratulate the federal government on its re-election. If I could paraphrase William Shakespeare: the winter of our discontent has been continued for another three years. Both major parties had an opportunity to put their case to the Australian people, and the Australian people made a judgment. However, for the second election in succession, the party that won did so by portraying the opposition party as a danger to its electorate's wellbeing.

In 2001 it was physical security, and in 2004 it is economic security with the emphasis on interest rates. The lesson from this campaign is obvious — a negative campaign will always beat a positive campaign. This may be entirely democratic, but it is not necessarily good for democracy. In all campaigns lessons are learnt. I am sure the ALP will learn the appropriate lesson as to whether to run a positive or negative campaign in 2007. The 2007 campaign will be entirely different.

Federal government: election result

Hon. ANDREA COOTE (Monash) — I wish to congratulate the federal coalition on a huge election victory on Saturday, 9 October. This election was won on sound economic management, low interest rates, low inflation and low unemployment. The Treasurer of the country is Peter Costello, and it is due to his stewardship that Australia is in the excellent economic position it is in. I congratulate him on how he has managed our economy through the Asian meltdown, 11 September 2001, the severe acute respiratory syndrome (SARS) virus, and the 1-in-100-year drought.

The people of Australia did not make up their minds in the final weeks of the campaign and were not swayed by slick advertising and sloganeering, media grabs and stunts. The people of Australia acknowledged on Saturday last that the Prime Minister and Peter Costello are the best qualified to run our wonderful country. They put their faith in John Howard and Peter Costello and their professional team.

Victoria had a monumental 3.5 per cent swing to the coalition. The major swing to the government was in the swag of seats along the Scoresby corridor, and the Liberal candidates, Tony Smith, Phil Baressi, Jason Woods, Bruce Bilstein and Greg Hunt, are all to be congratulated. This sends a clear and unequivocal message to Steve Bracks and his Labor government. The people of Victoria do not want tolls, and Bracks will fool no-one by trying to pretend he and his government are responsible for the Victorian economy.

Aubrey Sidaway

Mr PULLEN (Higinbotham) — I want to place on record my appreciation and admiration of the late Aubrey Sidaway, who last week died tragically aged 88 in a house fire in East Brighton. I had known Aubrey for over 30 years from the time he was elected to the east ward of the former Brighton City Council, which is now part of the City of Bayside. Aubrey served as mayor of Brighton from 1978 to 1979 and was a true activist right up to the time of his death. He was a conservationist before the word became trendy and constantly wrote letters to council when he considered it was wasting ratepayers' money.

When he became mayor he did away with pomp and ceremony — an amazing effort for a member of the Liberal Party. He held a sausage sizzle to celebrate his appointment rather than the traditional mayoral reception. I can well remember him driving around in his old Morris 1100 with pyramid-shaped boards strapped to the roof protesting about something. As I said, Aubrey was a true greeny, and when he started planting trees at Hurlingham Park in the early 1970s I considered they were too close to the cricket pitch and pulled them out. When I told Aubrey about this he was in shock, so we both replanted the trees further away from the cricket pitch. They are now today absolutely magnificent, and people can sit under them and watch the cricket.

Only a few months ago Aubrey rang me regarding his concerns about Point Nepean, and he was in the process of drawing up alternate plans. I would like to see the Bayside City Council install a plaque under Aubrey's trees at Hurlingham Park in memory of this outstanding Brighton resident.

Motor racing: Bathurst

Hon. B. W. BISHOP (North Western) — Today I congratulate the Kelly boys, Rick and Todd, from Mildura who are making a real mark on the Australian motor racing scene. Described as the modern-day Kelly Gang, it is a real family concern. The latest success was

Rick teaming up with Greg Murphy to drive the Kmart Holden Commodore to victory at Bathurst last weekend. More than that, this is back-to-back wins for Rick Kelly and Greg Murphy as they took out the honours last year as well. At just 21 years of age, Rick is the youngest driver to win back-to-back trophies at Bathurst, and at such a young age has plenty of time to catch up to the multiple winners over previous years.

Rick's brother, Todd, started in 1997 with the Holden Young Lions development squad and was then chosen by Kmart Racing in 2001. Rick also came through the development squad.

I am also proud to report that the Kelly and Holden team are strong supporters of our safety zone young driver training and development education program at the industry training airport precinct. In fact, Holden has generously provided two cars to be used in this great program for our schools' driver education programs.

In conclusion, well done to the Kellys and particularly well done to Rick for another outstanding success last weekend at Bathurst. On behalf of The Nationals, we are getting together an A4 sheet with the names of the people who did not vote for John Forrest last weekend!

Federal government: election result

Mr SOMYUREK (Eumemmerring) — I was not going to make a members statement today until I heard the utter nonsense from opposition benches.

Hon. Richard Dalla-Riva interjected.

Mr SOMYUREK — If Richard the Chicken Heart would listen to me for 1 second, he would realise that the election last Saturday was not about Scoresby or the MFF — the Mitcham–Frankston freeway — wind farms or the Bracks government, it was about the politics of fear directed towards socioeconomically disadvantaged communities throughout Melbourne. The swings were not confined to the south-east or the eastern suburbs; there were monumental swings in places like Calwell which swung about 7.5 per cent, Scullin, Maribyrnong and Lalor. There were swings everywhere. The Scoresby freeway does not touch those areas. Interest rates are the *Tampa* of the 2004 election. History will judge John Howard very unkindly in a few years time. He is about spooking socioeconomically disadvantaged communities. Tricky Dicky is on about the MFF, but this election was not about the MFF.

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

Western Port Highway, Lyndhurst: traffic control

Hon. R. H. BOWDEN (South Eastern) — The government should get on with the job of representing the road safety interests of my constituents on the Western Port Highway, Lyndhurst. I was absolutely appalled at the insensitivity of VicRoads and the connivance of the City of Casey when a few days ago they turned on a set of traffic lights at Lyndhurst that should never have been installed in the first place.

The Western Port Highway was originally designed as a freeway, but just as we had the stupidity of the Labor Party in the past when it installed traffic lights on the old South Eastern Freeway — the only government in the world to put lights on a freeway — it has now committed this sin again. It is conniving with the City of Casey to put more traffic lights on the Western Port Highway, which should still be a freeway, at Lyndhurst. It is not safe, and it is stupid.

Many hundreds of my constituents are completely upset about it. I believe they will be doing something in the near future, and I may support them in that. This is absolutely unsafe design and bad efficiency. The road represents one of the only important regional arteries, and it will be clogged with multiple sets of traffic lights. I will continue to get on with the job of representing my constituents. I am concerned, and I am serving notice that this issue will not go away until those traffic lights are pulled out.

Federal government: election result

Ms ROMANES (Melbourne) — I congratulate the coalition government on its election victory last Saturday but also congratulate Lindsay Tanner for winning the seat of Melbourne with an excellent and improved result. I congratulate all volunteers in the Labor Party who worked steadily over many weeks and put in time on election day to help Lindsay get elected.

The passion and commitment of Labor Party members for Labor values is what makes members on this side of the house proud of our party. By contrast, not only did the Liberal Party set out to buy an election victory by throwing millions of dollars at the election campaign but in many electorates in the metropolitan area of Melbourne had to buy the person power to staff their booths.

The young woman employed by the Liberals to hand out how-to-vote cards at the Brunswick South Primary School on Saturday morning turned up to do the job but did not know which party she was employed by. After

nearly 1½ hours of handing out how-to-vote cards from the box left at the gate by the Democrats she received a short message service or SMS text message from the Liberals which set her straight. While the young woman then found the Liberal's how-to-vote cards in another box around the corner near the fence and proceeded to do the job she was paid for, we might be left with a view that this is an example of a not-very-successful attempt to buy votes.

Federal government: election result

Mr SMITH (Chelsea) — I rise to congratulate the Liberal Party, because it beat us fair and square. No excuses! I am not one of those bleeding hearts who will try to rewrite history and suggest that we won the campaign but lost the election — although that might be a message for another day. But I would like to say that this party is quite resolute, and its resolve will continue. We will review and we will be back; members should not worry about that.

Opposition members should keep going on about Scoresby. They should put all their time and effort into it, because in my view we did not lose one vote over it. We will continue, and we will build it. The decision to build the Scoresby road was right when we made it, and it is right today. It is right because it now frees up enormous amounts of infrastructure capital that we will utilise to pay for more nurses, more hospitals and more roads in all of those suburbs, and when people see that they will understand that the decision by the Bracks government was correct and courageous. I say again: bring it on, Scoresby!

Aquaculture: licence fees

Hon. P. R. HALL (Gippsland) — Today I want to register a protest on behalf of all Victorian yabby farmers, not that there are many of those people left because the zeal of the Minister for Agriculture in another place to introduce full cost recovery in this industry has driven most of them out of business through exorbitantly increased licence fees.

The minister claims that the federal government's national competition policy (NCP) has forced the Victorian government to set these massive new fees. This is simply not the case, and I quote from a letter from the former federal minister in charge of this area, Senator Ian MacDonald, to my recently returned federal colleague Peter McGauran in a letter dated 18 September, where he says in part:

> It is also possible for states and territories to make a case for exemption from the NCP regime for specific industries if it is for the public good. I would think that, in the case of a fledgling and regionally based industry, such as the Victorian yabby industry, this course of action would be an appropriate avenue for the Victorian government to pursue.

The Minister for Agriculture has not sought an exemption for this important young industry in Victoria. Today I call on him to start demonstrating some commitment to and support for this young industry in Victoria and to immediately seek an exemption from the application of the national competition policy regime to the yabby industry.

PETITIONS

Wild dogs: control

Hon. PHILIP DAVIS (Gippsland) presented petition from certain citizens of Victoria requesting that financial arrangements be put in place at the beginning of the financial year to meet the costs for the permanent employment of no less than four dog trappers at Tallangatta and three at Corryong and to ensure that the two dogmen currently funded by the bushfire recovery task force are retained on a permanent basis in the Upper Murray area of north-east Victoria (8 signatures).

Laid on table.

Motor registration fees: concessions

Hon. R. H. BOWDEN (South Eastern) presented petition from certain citizens of Victoria requesting that the Victorian government abandon immediately the introduction of motor vehicle registration fees on low and fixed-income people (282 signatures).

Laid on table.

Motor registration fees: concessions

Hon. DAVID KOCH (Western) presented petition from certain citizens of Victoria requesting that the Victorian government abandon the proposal to increase the cost of car registration for Victorian pensioners by $78.50 as it will detrimentally impact upon those who are financially unable to pay by jeopardising their freedom of movement, removing their independence and diminishing their quality of life (291 signatures).

Laid on table.

Western Port Highway, Lyndhurst: traffic control

Hon. R. H. BOWDEN (South Eastern) presented a petition from certain citizens of Victoria requesting that the Victorian government prevent the installation of traffic lights along the Western Port Highway at Lyndhurst (Dandenong–Hastings Road) due to growing community concerns (287 signatures).

Laid on table.

PAPERS

Laid on table by Clerk:

Auditor-General — Annual Report, 2003-04.

City West Water Limited — Report, 2003-04.

Crown Land (Reserves) Act 1978 — Minister's order of 21 September 2004 giving approval for the granting of a lease at Mt Rouse Public Park Reserve.

Duties Act 2000 — Treasurer's report of approved exemptions made on corporate reconstructions for 2003-04.

Essential Services Commission — Final Report on the Review of Hire Car Licence fees.

Fisheries Act 1995 — Report on the Disbursement of Recreational Fishing Licence Revenue from the Recreational Fishing Licence Trust Account, 2003-04.

South East Water Limited — Report, 2003-04.

Tattersall's — Annual Report, 2003-04 (including the Financial Statements of Club Keno Pty Ltd, Footy Consortium Pty Ltd, Tattersall's Gaming Pty Ltd and Tattersall's Sweeps Pty Ltd) (two papers).

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

Alpine Resorts (Management) (Amendment) Act 2004 — Part 3 — 1 November 2004 *(Gazette No. G41, 7 October 2004)*.

Animals Legislation (Animal Welfare) Act 2003 — Section 26 — 19 October 2004 *(Gazette No G41, 7 October 2004)*.

BUSINESS OF THE HOUSE

Program

Mr LENDERS (Minister for Finance) — I move:

That, pursuant to sessional order 20, the orders of the day, government business, relating to the following bills be considered and completed by 4.30 p.m. on Thursday, 14 October 2004:

Building (Amendment) Bill

Dangerous Goods Legislation (Amendment) Bill

Primary Industries Legislation (Further Miscellaneous Amendments) Bill

Magistrates' Court (Increased Civil Jurisdiction) Bill

State Sport Centres (Amendment) Bill

State Taxation Acts (Amendment) Bill.

Hon. ANDREA COOTE (Monash) — I say again that the Liberal Party does not support this program. It is a case of the poor Leader of the Government trying to prove that he is getting on with the job. That is what he is trying to prove to all of us, because he keeps repeating this. There is absolutely no need for this business program. He read out the bills we are going to debate, and it will not take us very long at all. We do not need a business program. It is being bureaucratic for its own sake. We do not believe in the program.

Motion agreed to.

STATE TAXATION ACTS (AMENDMENT) BILL

Second reading

Ordered that second-reading speech be incorporated on motion of Mr LENDERS (Minister for Finance).

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

This bill makes a number of important amendments to the Accident Compensation Act 1985, the Duties Act 2000, the First Home Owner Grant Act 2000, the Land Tax Act 1958, the Pay-roll Tax Act 1971 and the Valuation of Land Act 1960. These amendments add certainty to administration, and reflect the government's commitment to a robust but fair taxation system.

Amendments to the Accident Compensation Act 1985

The bill amends the Accident Compensation Act 1985 to bring the definition of 'remuneration' into line with previous and current government policy intentions.

The Victorian WorkCover Authority calculates an employer's annual WorkCover premium by reference to the 'remuneration', as defined in section 5 of the Accident Compensation Act 1985, that an employer pays to employees.

In 1994, that definition of 'remuneration' was amended to include fringe benefits, as defined by the commonwealth Fringe Benefits Tax Assessment Act 1986. This aligned the

definition of 'remuneration' with the definition used for payroll tax, with the intention being that employers could use the same remuneration figure as the basis for calculation of payroll tax and WorkCover premiums.

In 1997, similar amendments were made to include superannuation within the definition of 'remuneration', again for consistency with payroll tax legislation.

It is quite clear that when the original amendments were made in 1994 and 1997, there was no policy intention to exclude wages and salaries and superannuation contributions from the remuneration base used to calculate WorkCover premiums payable by employers that are exempt for commonwealth fringe benefits tax purposes. There was and is no policy intention that these employers would have their WorkCover premiums calculated on a different basis from that applying to all other employers. Since 1994 and 1997, all employers have had and continue to have premiums calculated on the same basis, and have been paying premiums accordingly.

Issues with the wording of section 5(9) have resulted from inadvertent drafting oversights in 1994 and 1997. The VWA recently became aware of the need to clarify the wording of section 5(9) of the Accident Compensation Act 1985, which excludes 'exempt benefits', as defined by the commonwealth Fringe Benefits Tax Assessment Act 1986, from the definition of remuneration. Under fringe benefits tax definitions, all benefits paid to employees of certain categories of employers, known as 'exempt employers', are 'exempt benefits'. This includes wages, salaries, and superannuation contributions.

'Exempt employers' include bodies such as religious, charitable and benevolent institutions, including some hospitals.

The VWA sought senior legal advice on this issue. This advice recommended that the act be amended to clarify that wages and salaries, and superannuation contributions, paid by 'exempt employers' (who are 'exempt' for the purposes of the Fringe Benefits Tax Assessment Act 1986) are included in the definition of remuneration applicable to all other employers, for the purposes of WorkCover premium calculation.

Advice received by the VWA also recommended that this amendment have retrospective effect, to provide certainty in relation to past as well as future collection of WorkCover premiums. This will ensure that proper effect is given to government policy intentions of the past and present.

The bill therefore amends section 5(9) of the Accident Compensation Act 1985 to clarify that wages and salaries, and superannuation contributions, paid by 'exempt employers' clearly form part of the remuneration base for calculating WorkCover premiums and will have effect from 1 July 1994.

These amendments give valid effect to a policy that is generally considered by both sides of this Parliament to have been applicable since 1994 and 1997.

Amendments to the Duties Act 2000

The bill introduces further amendments to the exemption in the Duties Act available where transfers of property take place as part of a corporate reconstruction. This follows industry consultation and feedback after significant changes introduced in 2003.

The amendments clarify a range of definitions including extending the definition of 'corporation' to include a public offer superannuation fund. Such funds have comparable characteristics to public unit trusts and companies, are open to subscription to the general public, and they should be similarly eligible for the corporate reconstruction exemption. The changes demonstrate the willingness of the government to listen and respond to industry concerns.

The Duties Act currently exempts from duty, in certain circumstances, a transfer from a trustee in bankruptcy back to a former bankrupt. The bill introduces an exemption where the trustee in bankruptcy transfers the bankrupt's interest in the family home to the non-bankrupt spouse. The government does not believe someone should be unnecessarily prejudiced because of their spouse's bankruptcy.

If a beneficiary under a will or intestacy disclaims a gift prior to administration of the estate this effects a change of beneficial ownership of the property of the estate that is to take place on distribution. The bill introduces an amendment to clarify that duty can be charged in such circumstances, as was clearly the case under the previous Stamps Act 1958, and has always been the intent of the legislation.

Victoria is the only jurisdiction to allow an exemption from duty in respect of a transfer of dutiable property made in consideration of marriage in particular circumstances. This exemption is an historical anomaly and is easily exploited. The transfer is not limited to transfers from natural persons and there is no time limit specified between the transfer and the marriage. Indeed, there have been instances of transfers being made years in advance of an anticipated marriage. The exemption fosters the practice of dowry, which should not be an appropriate matter for taxation incentives. The bill removes the concession. Victoria already exempts transfers between spouses and domestic partners and will continue to do so.

There are occasional circumstances where property is vested in a transferee by statute, either a Victorian statute or one of another jurisdiction. Such vesting is not currently considered a dutiable transaction. New South Wales and Western Australia have both recently amended their legislation to bring such vesting to duty and the bill brings Victoria into line with these changes. It is a matter of equity that such property transfers should be taxed in the same way as any other transaction.

The commissioner has detected misuse of the exemption allowed for demonstrator vehicles used by retail car dealers. It is apparent that some car dealers are registering high-value vehicles as a duty-free demonstrator, then selling them very quickly as second-hand vehicles attracting a lower rate of duty than they would if sold as new. The objective of the amendment is to require high-value vehicles to be held by dealers for a minimum period of two months before the lower used car rate of duty applies. The government will act to protect the integrity of the revenue base when it is threatened blatantly, covertly or inadvertently. The State Revenue Office in conjunction with the Victorian Automobile Chamber of Commerce will ensure, through publications, that car dealers are fully aware of their rights and obligations in this area.

Commercial reality dictates that purchasers of real estate often obtain finance through loans, and so the financial institution provides a portion of the purchase monies. This reality causes difficulty when the High Court decision of *Calverley v. Green* is applied strictly to the section 34 exemption for transfers from a trustee to a person who has provided the purchase monies. This is because that case would suggest that a purchaser could not be said to have provided the purchase monies when subject to a mortgage, which undermines the exemption and prejudices some parties. The act is to be amended to ensure the policy intent of the exemption is met.

The bill contains provisions, which, for the first time in Australia, will recognise special arrangements members of the Islamic community enter into to comply with Islamic law that prohibits the payment of interest. These arrangements usually result in two transfers, one at the start and another at the end of the relationship between purchaser and lender, and thus two payments of conveyance duty, before an individual eventually takes full ownership of property. The bill will recognise these transactions and impose duty only once, as is the case for all other Victorians who purchase property. This government values Victoria's multicultural society and is committed to ensuring all Victorians are treated equally. The Islamic community welcomes these changes, which other states can be expected to follow.

The bill makes a number of changes to the Duties Act and the Land Tax Act as a result of the government's e-conveyance project. This development, where again Victoria is leading the nation, promises significant savings and efficiencies for the conveyancing industry and most importantly consumers when buying or selling property.

Amendments to the First Home Owner Grant Act 2000

Since the introduction of the First Home Owner Grant Act, the SRO has received specific requests from the Victorian and federal police, the director of housing and Consumer Affairs Victoria for information in connection with persons who are applicants for the grant. It is important that law enforcement agencies have appropriate access to information in furtherance of criminal investigations or of consumer protection issues outside the Commissioner's jurisdiction. Comments have been made in this house calling for action against unscrupulous vendors and builders taking advantage of first home owners. The provision of information upon specific request, with appropriate prohibitions on secondary disclosure, will help ensure such practices are fully investigated and dealt with by law.

Amendments to the Land Tax Act 1958

The exemption from land tax is available where a property is used as the principal place of residence of the owner. To this end this bill amends that section of the act dealing with temporary absence from a principal place of residence following a VCAT decision that considerably extended the intended scope of the exemption. The proposal is to tighten this exemption to better reflect original policy intent and to make it more consistent with the exemptions provided in other jurisdictions. The proposal will specifically define a temporary absence as a period of up to six years, with other specific criteria.

The bill also amends that section of the act dealing with unoccupied land subsequently used as a principal place of residence to clarify the intent that a refund can only be claimed if the owner did not derive any income from the land whilst it was not occupied as the owner's principal place of residence. Furthermore, the bill also adopts, for land tax purposes, the more modern secrecy provisions of the Taxation Administration Act 1997, which apply to all other taxes.

Amendments to the Pay-roll Tax Act 1971

The bill makes minor amendments to the Pay-roll Tax Act to allow greater ease in the occasional requirements to amend an administrative form and to remove some references to antiquated or repealed expressions.

Amendments to the Valuation of Land Act 1960

The bill clarifies the provisions of the Valuation of Land Act 1960 by clearly stating who may object to a valuation issued by a rating authority (a local council) and by restating when this objection can be made.

A rate and valuation notice includes three valuations: the capital improved value (CIV), the net annual value (NAV) and the site value (SV). A person may lodge an objection to any of these valuations. In the first instance the objection is made to the local council. Information about the process to lodge an objection with a rating authority is included in the rate and valuation notice and further advice can be obtained from the council or from the Valuer-General.

Section 16(4) of the Valuation of Land Act 1960 has been amended to clearly state that any person given a notice of valuation may object to the valuation. This has the effect that either an owner or an occupier may object to a valuation. This clarifies an ambiguity in the current act.

Section 18 of the Valuation of Land Act 1960 outlining when an objection can occur is unaltered. A person still has two months to lodge an objection when they receive a rate and valuation notice from a rating authority each year. The bill makes no changes to the current situation.

The changes to the Valuation of Land Act 1960 are effective from the date of the Minister for Planning's announcement in relation to the intention to clarify these components, that is, 16 July 2004. However, all matters lodged with the Victorian Civil and Administrative Tribunal or the Supreme Court before 16 July 2004 will not be impacted by the changes in the bill.

I commend the bill to the house.

Debate adjourned for Hon. BILL FORWOOD (Templestowe) on motion of Hon. E. G. Stoney.

Debate adjourned until next day.

BUILDING (AMENDMENT) BILL

Second reading

Debate resumed from 7 October; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. P. R. HALL (Gippsland) — I welcome the opportunity this afternoon to speak on the Building (Amendment) Bill. In particular, I welcome that opportunity given the importance of the building industry to the Victorian economy. I note from some of the information published by the Building Commission that the value of the building industry in Victoria to the Victorian economy in 2003 was in the order of $14.5 billion. So this is a very significant industry by any measure. A bill such as the one before us today, although not large in nature, is important for this house to consider.

The bill introduces a system whereby a prospective owner-builder must obtain a certificate of consent from the Building Practitioners Board before applying for a building permit for domestic building works of more than $12 000 in value. Some conditions and restrictions are imposed by this legislation. Firstly, people applying as owner-builders must have read an information package published by the Building Commission on their rights and responsibilities. Secondly, another important implication of this piece of legislation is that owner-builders are prevented from obtaining permits in respect of more than one dwelling in any three-year period.

While The Nationals have no concerns with the first of those points — that is, the need for owner-builders to be well informed of their rights and responsibilities — we welcome the fact that the Building Commission is going to prepare an information package to assist people in understanding what is legally required of them as owner-builders. We have concerns about both the principle behind and the application of the restrictions that are being placed on the number of owner-builder permits that can be issued to any one person. We believe — and during the course of my contribution to the debate I will set out my reasons for saying so — these restrictions will have some serious implications for the building industry in Victoria and will drive up the cost of housing, which will not be in the interests of any consumer.

This legislation also has the potential to curtail building activity in the state of Victoria, and that is something we can ill afford. After all, it has been the building industry which has driven the Victorian economy in recent years, and that is something this government has been proud of, but with this legislation today we will be putting a dampener on building activity in Victoria.

Moreover what we say about this bill is that it does nothing to address the real problems being faced by the building industry in Victoria at the moment, such as the issue of the disproportionate number of owner-builders in Victoria because of what we strongly believe is a totally ineffective builders warranty insurance system in this state.

Because of those reasons, which I will elaborate on, The Nationals have come to the position of opposing this piece of legislation. During debate in the Legislative Assembly our spokesperson on this area, the member for Shepparton in the other place, Jeanette Powell, indicated that this may well be our position once this bill reached the Legislative Council. We said that this piece of legislation was not well considered by the building industry — there was not a lot of consultation out there — and that those in the industry and potential owner-builders did not know the Parliament was considering this legislation. There was certainly a dearth of knowledge, and the ramifications of it were not fully understood.

Since the introduction of the bill and debate on it in the other place we have received further feedback and had further discussions with sectors of the building industry in Victoria, which has led us to the conclusion that we cannot possibly support this piece of legislation. I will elaborate on the reasons as I go on.

Firstly, let us have a look at the reasons for the government deeming this legislation to be necessary. The main reason was spelt out in the first paragraph of the second-reading speech when the minister claimed that the main purpose of this piece of legislation is:

> ... to prevent speculative builders avoiding insurance and registration requirements by falsely claiming to be owner-builders.

I want to make a couple of comments about that statement in the second-reading speech. Firstly, it claims that we have a problem with owner-builders in Victoria. The first question we need to ask ourselves in consideration of the merits of this bill is: do we have a problem with owner-builders in Victoria? Moreover, if so, why? They are questions that need to be asked.

The second point I want to make about that comment in the second-reading speech is that it refers to insurance or, in particular, avoiding insurance. The insurance referred to is warranty insurance, and we in The Nationals have asked ourselves: is that not the real problem in the building industry in Victoria? Is warranty insurance, particularly the lack of competitive warranty insurance, the real problem to do with why we have a disproportionate number of registered owner-builders in Victoria? We say that the issues Parliament needs to consider are more to do with the insurance system than registered owner-builders. Indeed we claim that if we were to fix the insurance

issues in this state, we would fix the issue of the disproportionate number of owner-builders.

We take — and I know builders do — some offence with the terminology 'avoiding insurance'. From our consultation with builders the issue about avoidance is not that they want to avoid insurance; it is more so the fact that they simply cannot get insurance. That is the issue, and that is why we say that insurance is the problem rather than the number of people building under the owner-builders system.

It is instructive to look at the statistics particularly for the number of owner-builders here in Victoria. For this purpose I refer to information published by the Building Commission in the document 'Building Commission activity profiles'. These profile statements give us overall statistics for the building industry over the last four years — 2001, 2002, 2003 and up to June 2004. I am interested particularly in the total domestic work conducted by the building industry and also the percentage of that domestic work undertaken by owner-builders.

As I said in my opening remarks, it is interesting that the total value of the building industry to the Victorian economy in 2003 was in the order of almost $14.5 billion. If the current trend for the first six months of 2004 continues, building activity will be worth just as much as that again this year. Of that total value for building, the percentage value of domestic work up until June last was about 58 per cent, and in previous years that figure was not vastly different — it was 56 per cent in 2001, 57 per cent in 2002 and 59 per cent in 2003. Overall I think we can assume that the value of domestic work in the building industry comprises almost 60 per cent of the total value of building work undertaken in Victoria.

If we look at the value of new work being done by registered builders versus owner-builders, owner-builders make up about 27 per cent of that work. But if you look at the quantity of domestic building permits for registered builders versus owner-builders, owner-builders make up around 40 per cent of that figure.

Let me just explain that and put those statistics into context. It simply means that of the total number of domestic building applications in Victoria, 40 per cent are made by owner-builders. Therein lies an issue the Victorian government says this bill tries to address, and this, it says, is a problem. I am not sure if it is a problem, but it is certainly different to the situation in other states. I particularly compare it to the situation in Queensland, where just under 5 per cent — the actual figure given to me was 4.89 per cent — of building work is undertaken by owner-builders. That can be compared to the 40 per cent in Victoria. You have to ask yourself: why are things so different in Victoria to what they are in Queensland? I suggest it is because of the limited choice and dissatisfaction with the builders warranty insurance available to Victorian builders.

The situation here is that essentially one company operates in Victoria. That is a company called Vero, which I understand holds something like 92 per cent of builders warranty insurance in this state; it has 92 per cent of the market. This issue has of course been raised with the Minister for Consumer Affairs, and, to his credit, it has occupied a lot of his attention for some time now. I am talking about the last 12 to 24 months, when builders warranty insurance has been a real issue in Victoria. We know what led to the crisis — the collapse of HIH in particular has led to the crisis in builders warranty insurance in Victoria, yet this government has made only token efforts to rectify the problem and introduce greater competition into the builders warranty insurance market. The fact that Vero has 92 per cent of that market shows that that has not happened; as Mr Drum has said, it simply has not happened. There is no competition, and so there is a monopoly provider of builders warranty insurance here in Victoria.

That explains the big difference between the situations in Queensland and Victoria. It is no wonder that 40 per cent of building applications in Victoria are taken out by owner-builders, compared with less than 5 per cent in Queensland — it is because Queensland has a government-run builders warranty insurance scheme. It is easy to opt into, it is less restrictive and it is better for consumers. They are the reasons why there is an overrepresentation by owner-builders submitting building applications here in Victoria. We do not believe the legislation will go any way towards addressing that problem.

As I said, with one monopoly insurance provider in Victoria, it is interesting to see some of the limitations that that company imposes.

Mr Lenders — There are six companies now.

Hon. P. R. HALL — Six? Vero still has 92 per cent of the market, is that not a fact?

Mr Lenders interjected.

Hon. P. R. HALL — It has 92 per cent of the market. If there are six, I am delighted with that, but one of them holds 92 per cent of the insurance business.

Mr Lenders interjected.

Hon. P. R. HALL — I advise the minister that competition does take a long while, and that is why we say the government should have been more proactive in addressing the problem a long time before this.

This legislation in itself will not aid the advent of extra competition into that market. The restrictive nature of builders warranty insurance in Victoria means that among the requirements are that there be demands of large monetary securities on builders in Victoria, particularly in the form of bank guarantees. In a minute I will cite a particular example of a young builder in my electorate who has been met with the imposition of a huge amount of bank guarantees, which has restricted the amount of building that he has been able to undertake.

At this point I will briefly talk about the issue of builders warranty insurance and what it actually does. I am sure consumers who enter into a building contract think that builders warranty insurance will protect them totally from all defects and a collapse of the company that has undertaken the building project for them. Let us be clear about what builders warranty insurance does. Yes, it is an insurance against rectifying defects, but only if the builder himself dies, disappears or goes bankrupt. Only in those three circumstances can you draw on your builders warranty insurance premium.

If the builder is still alive, in business and is still around the area, then if you cannot have any defects rectified by that builder; you have to take him to the courts. You do not have any claim on your insurance in those circumstances; it is only in those three areas that you can actually claim. So it is a last resort insurance for people and actually offers them very little. In fact, a standard building contract offers a consumer better protection than does the actual builders warranty insurance covenant.

I refer to the insurance costs. The builders warranty insurance is adding significant costs to builders contracts. One builder I met with recently here in Parliament House told me that on a $3000 job he had registered that day, the component of builders warranty insurance was $2000. That was the figure that he had paid on that particular — —

An honourable member interjected.

Hon. P. R. HALL — Sorry, it was a $300 000 job and the builders warranty insurance premium for that was $2000.

This legislation simply tackles the symptoms and not the cause of the disproportionate number of registered owner-builder jobs taken out in any one year.

I want to give the house an example of how it impacts on builders in this state. I refer to the situation of B. and F. Neilson, a building company based in Traralgon and in Metung in my electorate. Brett Neilson is a young man of 35 years of age. He has been operating his business in Traralgon for the last 12 years. He constructs between 80 and 100 homes a year, with about 35 under construction at any one time. Brett is also involved in commercial building and development, and he directly employs about 40 people.

He also currently has 12 apprentices and takes on 4 or 5 new apprentices every year. Brett's company has an annual turnover of about $12 million in its residential work alone, so by any means, for a young man of 35 years of age in a business with his wife, to generate that sort of activity is an absolute credit to him. These are the sorts of people we should be encouraging, particularly as he is a locally based person employing local people and adding significantly to the local as well as the state economy.

I can tell you, Deputy President, that Brett is absolutely scathing of the builders warranty insurance system. He formerly had insurance with Contractors Bonding, and he had satisfactory arrangements with them which he thought was a fair arrangement for the purpose of builders warranty insurance. Contractors Bonding failed to gain accreditation or approval, or whatever the process was, in January and February this year. Despite my pleas to the minister when that occurred, we have still not seen Contractors Bonding approved for the purposes of taking builders warranty insurance here in Victoria. Contractors Bonding was a New Zealand-based company.

Mr Lenders — So we shouldn't have prudential requirements?

Hon. P. R. HALL — Yes, we should, but the government should be doing more to make sure that those insurance companies reach that standard. Brett has now taken out insurance with a company called Australian Home Warranty. He was required to put up a $600 000 bank guarantee before they would conduct insurance business with him. For a young man of 35, building his business and having been a successful builder for 12 years, $600 000 of his capital is now tied up in a bank guarantee, thereby greatly restricting the opportunities he has to develop his business and provide what consumers want.

I might add that the $600 000 is not the end of the story, because in addition to that, on every house he builds — that is, on every building application, he has to pay a premium as well. He has to take out insurance on that. When I met with him a week or so ago he gave me an example of the policy schedule — I have it here in my hand — for domestic building work valued at $170 466. The premium he was required to pay was $941.88. It clearly says in respect of the scope of cover:

> Subject to the act, the ministerial order and the conditions of the insurance policy, cover will be provided to the building owner named in the domestic building contract and the successors in title to such building owner — only where the builder is dead, disappeared or insolvent.

As I said before, all this thousand-dollar premium does and all the $600 000 bank guarantee that is tied up does is guarantee that if the builder dies, disappears or becomes insolvent, any defects will be covered by insurance. So it provides very little but adds significantly to the cost of housing. Brett informed me that in the week before I met with him he had put up the standard price of the homes he builds by something like 6 per cent because of this issue with builders warranty insurance. So, on a standard house people will now be paying from $5000 to $7000 more simply because of the problems he has with builders warranty insurance. That is the cost to him of paying the insurance premium and also having $600 000 tied up in a bank guarantee.

Mr Lenders — So we should remove consumers' protection?

Hon. P. R. HALL — I will certainly get to that, Minister, because I think there are options we should look at. This is why I think the government has been tardy and should have considered more of those options.

I have also had correspondence from Phil Graf of the Australian Owner Builders Pty Ltd in Victoria, commenting on this piece of legislation we are now considering. He gives a bit of the background of the issue as to why we have problems. If the problem is, as the minister said in his second-reading speech, dealing with people who are avoiding insurance by disguising themselves as owner-builders, the company says in an article:

> Registered builders masquerading as owner-builders can be effectively dealt with under existing legislation, provided the Building Commission has the resolve.

I am not a legal person and I cannot give the house an explanation about how they could be adequately dealt with under that act, but I think it is incumbent upon the minister to explain why he thinks the current act is deficient in its ability to those who are masquerading as owner-builders now. Certainly it is the view of Australian Owner Builders Pty Ltd that they can be dealt with. The article goes on to explain what the company believes are some of the impacts of this legislation. I quote again:

> Australian Owner Builder research has identified the larger construction companies are reluctant to start smaller multi-dwelling projects and concentrate on the larger developments, where the economies of scale dictate higher profits and no warranty is required as the construction is over four storeys high.

That is a fact. Those who have followed this debate will know that buildings over four storeys high do not require builders warranty insurance. It continues:

> The major development companies have no desire to entertain smaller constructions, particularly in the outer suburbs. Smaller builders cannot obtain sufficient warranty cover to construct multi-dwelling developments due to the asset criteria demanded by the insurers. Our question is: who will build them? Estimates put the number of new constructions under a cloud at 1000 units per annum, 1000 units which may not be built. The projected cost of 1000 units would be in the vicinity of $2 billion!

Once again that claim requires some response from the minister. I can understand the logic of why people like Brett Neilson and others are less likely to be involved in those projects and may be unable to be involved in some of them because they have been unable to obtain the insurance warranty to undertake them. I might add, with the restrictive nature of builders warranty insurance in Victoria, Vero, the monopoly company in this area, has often put a value limit on the amount of work builders have been able to undertake and has restricted them in the value of the project they are able to build.

Australian Owner Builders also put forward what it believes could be a solution to this. It spoke about introducing a new category of builder called a private developer category. I do not have full details, but I would have thought that the government, in exploring all the associated issues, would do well to sit down with Australian Owner Builders and discuss what they believe to be some sort of resolution to these problems.

I know we have a diligent Minister for Consumer Affairs — and I give him credit for that — who consults with organisations on these matters. I hope he has sat down with the owner-builders association and discussed what it believes are some sensible solutions. Where do we go with this? The minister asked, 'So, what; you would do away with all consumer protection and abolish builders warranty insurance?'. The answer to that question is, 'No, I would not — or not

necessarily'. Greater consideration should be given to some of the options to consider the issue. One option is to institute an industry-funded and government-supported scheme such as the one in Queensland.

Mr Lenders — Your government privatised Victoria's scheme!

Hon. P. R. HALL — If you say it is not working by the presence of the bill before the chamber this afternoon and there are issues to be dealt with, consideration should be given to all options. If we have to go back to a centralised scheme such as the one in Queensland — a government-operated but industry-funded scheme — we would have no hesitation in considering going back to a government-operated scheme of builders warranty insurance if that would address the problems.

Some consideration should be given also to the introduction of a voluntary builders warranty insurance scheme so that consumers have the option of taking out builders warranty insurance. Most other insurance we undertake is voluntary: health insurance, home insurance et cetera. As I said at the outset of my contribution to the debate, we have no issues at all with the problem of providing information and requiring owner-builders to sign off that they have read information about their responsibilities as owner-builders. There is the possibility of considering a voluntary scheme. It would work in this way: people who live in the country might have great faith in the reputation of their locally based builder to complete a project for them. After all, it is in the builder's own best interest to ensure that a project he undertakes is completed without defects to the satisfaction of the customer because he bases his reputation and future business on that.

People like Brett Nielsen and other builders in Traralgon, Morwell, Bairnsdale, Lakes Entrance or Leongatha, for example, rely on their reputation among the members of their local communities. So they do a good job, and we do not have the same issues that you might have with major building companies right across the state which are involved in building thousands of new homes in any one year. As I said, people might be prepared to forgo builders warranty insurance, staking their insurance on the local builder's own reputation. When building a new home, most people have several quotes for its construction. If one quote comes in significantly under another, they might be a bit unsure about that builder completing the job. They could then take out insurance on that particular option if they choose to take a cheaper quote and have some insecurity about that builder completing the job and doing it properly.

All I am saying is that these are issues the government should be looking at. A government-operated scheme, such as that in Queensland, is one option that the government should give serious consideration to, and voluntary insurance is another.

A third option of builders warranty insurance that I was very interested to read about was reported in the business section of the *Age* of Saturday, 18 September, under the heading, 'Risk reverse for home builders'. It told a story of three gentlemen in the building industry who got together to try to address the crisis in builders warranty insurance. They have established their own business, called Building Ethics Australia. They are reported to have more than 50 builders signed up to the system in Victoria now. I welcome that, because we should be encouraging and having that competition in this state. The article states that instead of builders having to put up large sums of money in terms of bank guarantees, under Building Ethics Australia:

> ... the builders must put their reputations on the line and submit their work to a system of rigid inspection and a strict regime of defect rectification that goes beyond the standard checks required under state planning laws and locally administered building regulations.

Further the article reports its spokesperson, Tim O'Callaghan, as having said:

> O'Callaghan says the system protects both the consumers and their insurance underwriters because builders get paid only for the work done. If any fall over, there are no black holes that need filling with large sums of money.

Full credit to those guys who have put together this company, Building Ethics Australia. The government should be doing more to encourage this sort of thing in this state.

Mr Lenders — We are encouraging it.

Hon. P. R. HALL — I understand the minister's desire to introduce competition into the market, and I respect that he has tried to do it. But with Vero Insurance having 92 per cent of the market, we still have problems. We need to do still more to encourage people like those in that particular company and others to be in the market so that building activity in this state is not restricted. I have put up three examples for consideration by the government, and I suggest the government should be looking at them.

I mention one other aspect of the bill and that is the restriction that prevents people from obtaining permits for more than one dwelling in any three years. There is

a problem there for people who genuinely move from one residence to another — not speculative owner-builders, but people who have genuinely taken out in good faith owner-builder application permits. For example, if a person undertakes as an owner-builder improvements worth more than $12 000 to their home prior to its sale and moves to a new house, the person cannot take out an owner-builder permit for any change to that house to the value of $12 000 or more until the three years has expired. People can be genuinely caught by the system. The bill provides that people may be granted some dispensation under special circumstances, but we do not know what those special circumstances are or how the minister would respond to people who are genuinely caught in a situation of moving residence as I have described. Once again, there is a deficiency in that aspect of the bill.

Those are the issues I want to canvass in the course of this debate. As I said, members of The Nationals consider that the bill tackles only one issue, and that is really the symptom of a much larger cause, which is the monopoly situation in Victoria with builders warranty assurance. By restricting owner-builders in the state of Victoria, we take the risk of curtailing a significant amount of building work in Victoria, and that will impact on the economy. Because the government has failed to attract greater competition in builders warranty insurance in this state, it has already driven up the price of residential housing for consumers in Victoria. The government needs to tackle the issue of builders warranty insurance with greater vigour, because the results are not startling at this time. We need to work harder but the bill alone will not address the issues. It will not add anything to the level of consumer protection in Victoria and, further, it will work against consumers by driving up the cost of residential building. For those reasons, members of The Nationals have come to the position that we will oppose the bill.

Ms CARBINES (Geelong) — I am very pleased to speak on behalf of the government in support of the Building (Amendment) Bill. The building industry is very important to our state. It is important to the economy of our state. According to the press release of 25 August of the Minister for Planning it employs about 140 000 people and is worth about $15.3 billion to the state's economy. The building industry provides jobs for around 6 per cent of the state's work force. Therefore it is a very important industry to our state.

The bill seeks to protect Victorian consumers, be they owner-builders or purchasers of houses built by owner-builders, and in that way maintain vigorous community building standards. For the vast majority of Victorians the family home will be the major financial investment in their lives. It is incumbent on the government to make sure that their investments are protected as much as possible.

This bill will enable home owners to make more fully informed decisions about carrying out domestic building work as owner-builders. Importantly it will prevent speculative builders from avoiding insurance and registration requirements by falsely claiming to be owner-builders.

In her press release the Minister for Planning in the other place cites some examples that the Building Commission has provided about some of the traps for Victorian consumers in relation to owner-building. She cited the case of a 60-year-old woman who, she said:

> ... had never picked up a hammer in her life, whose builder persuaded her to sign papers that show her to be an owner-builder, without explaining the implications.
>
> The woman had no building skills and did not want to do any building work, but did not understand that she would be left without domestic building insurance because she did not use a registered building practitioner.
>
> Instead of the responsibility for the work being with the builder, this woman is responsible for the building and has no access to any consumer or insurance remedy.

The Victorian government, in putting this bill before the house, is seeking to avoid this type of situation arising. Owner-builder activity up until now in our state has been unregulated, and the Building Commission estimates that such owner-builder activity comprises about 40 per cent of the building permits issued across the state. This is in stark contrast to the situations in New South Wales and Queensland where owner-builder activity is about 8 per cent. The Building Commission attributes the difference between the 40 per cent owner-builder activity in Victoria and the much lower 8 per cent in Queensland and New South Wales as being due to the heavy regulation in both those states.

Members of this house would be very well aware of the popularity of the do-it-yourself industry in Victoria. We have very popular television shows like *The Block* which attracts huge audiences, including my children who seem to derive great amusement from the carry-on in those homes in Bondi where various couples were pitted against each other to see who could renovate the apartments and attract the highest price. I must say it never really interested me but certainly lots of Victorians have enjoyed watching this show and other do-it-yourself shows.

Hon. P. R. Hall interjected.

Ms CARBINES — Mr Hall watches it! I live near the new Bunnings store in Waurn Ponds, which has become an absolute mecca for young Geelong women and men, as well as lots of others who love walking up and down those aisles just imagining what they could do with some of the various appliances and tools for sale there. It is an excellent shop and employs lots of young people from Geelong. As I said, it has become a virtual mecca in Geelong, which I know is the case with other Bunnings stores and other hardware mega-stores around the state. The do-it-yourself industry has certainly captivated the imagination of Victorians.

I have to admit, however, that the Carbines family is not one such family, even though both sides of the family are from the building industry. My husband and I are not very good at home renovations or do-it-yourself work. We are certainly not very good customers of Bunnings, but we have been there and seen other people spend lots of money there. We do not indulge in it. We tend to pay for those services, but that is only because we are not very competent at it.

This bill requires owner-builders who intend to apply for a building permit for work costing over $12 000 to obtain a certificate of consent from the Building Practitioners Board. It also applies a restriction on such permits to one application every three years. The applicant will need to provide evidence to the Building Practitioners Board of their ownership of the land on which the works are to occur, that the work relates to a single dwelling only, that the applicant will reside in the dwelling, that they are not part of the building industry, and that they have read the compulsory information pack published by the Building Commission. This pack will include information on their legal obligations and responsibilities.

In this way the bill works to protect home owners by assisting them to make informed decisions about carrying out domestic building work as an owner-builder. Importantly, by regulating owner-builder activity speculative builders will no longer be able to avoid insurance and registration requirements by pretending to be owner-builders. I know that the Minister for Consumer Affairs released last week a press release detailing prosecutions of shonky builders, some of whom attempted to avoid their insurance obligations, and it was good to see that Consumer Affairs Victoria has been on top of that and taken action against such builders. I was very pleased to see that there were not any in my electorate in Geelong.

The bill before us also strengthens the system of builder registration in Victoria, as it makes it an offence for a builder to operate as a domestic builder without being appropriately registered. Consultation on this bill has been comprehensive, and I know personally from discussions with the Housing Industry Association (HIA) and the Master Builders Association of Victoria that they are fully supportive of this bill; they were in fact, very keen to have it pass. I would like to thank Tony Arnel, the building commissioner, for the work done by the Building Commission in support of this bill. Its passage will strengthen consumer protection in Victoria and also the building industry in our state, so I commend it to the house.

Hon. C. A. STRONG (Higinbotham) — This is a very bad piece of legislation. It goes to the heart of the freedom of many residents and owners to actually build and renovate their own properties, and it is premised on a lie. In his second-reading speech the minister said that this bill seeks to prevent speculative builders avoiding insurance and registration requirements by falsely claiming to be owner-builders. Under the current laws they can do that quite legally. This bill seeks to make it illegal, so the very premise on which it is based is incorrect. This is all about building warranty insurance, and if you would like a clear understanding of why it is about builders warranty insurance, you only have to look at the purpose of the bill.

The purpose of the bill is to introduce regulations for domestic building work. What about the owner-builders who do not just do domestic work? There are lots of owner-builders who build factoryettes, shops and offices. But that is okay. They do not have to go through this procedure of reading a list of things to ensure they build safer. No, if they are building a shop or an office, they can go and be dangerous. It is only about domestic insurance and it is purely about builders warranty insurance.

Other speakers have highlighted the absolute farce and stupidity of builders warranty insurance, which simply does not work. Many builders have quite rightly said, 'Why do I need to go through the hassle of building warranty insurance? What I will do is buy a block of land and build a house on it. I will take all the risks of building it and then at the end of the day I will sell the house with its building warranty insurance on it'. But, no, under this bill the builder is not allowed to do that. A builder is not allowed to go and risk his own money any more and create a business and build a spec house. That is suddenly illegal.

How about another case where we have a builder or an investor who wants to build a block of units? Once again he will buy the land, he will put his money up — a typical small businessman — take all the risks and then put it on the market to sell it or alternatively lease

it. No, this bill will stop that. This bill is fundamentally anti-free enterprise. This bill is fundamentally anti-small business, because as other speakers have said, building warranty insurance simply takes the builders, particularly in rural and country Victoria, out of the market because these people are not able to get that insurance. These people do not need it, because they are known within their local communities. They are people who are very disadvantaged by this bill. For some of the big mass production builders it does not make any difference, but for smaller builders the whole building warranty is a disaster and is putting them out of business. Owner-building was a vehicle by which they could still make a living, because they were prepared to take the risk and do the right thing. It is just absolutely a farce and nothing more than pandering to the insurance companies and the companies that sell this insurance in an attempt to drive these people out of the business.

We need to look not only at the principle of this but at the scale of what this is all about. I have figures here which have been prepared by the Building Commission and which look at the amount of work done by owner-builders. Remember, it is quite legal as the law stands for owner-builders to do this, contrary to the lies that were peddled by the minister's second-reading speech. If we look at the figures for the last three and a half years from the end of calendar year 2001 to June 2004, we find that the value of new domestic work by owner-builders has been running at about 27 per cent. In calendar year 2003 that amounted to about $1.8 billion worth of work — a huge amount. What is the impact of that going to be? As far as the insurance companies are concerned they think it is great, because that is $1.8 billion worth of work they hope they will be able to rope back into their insurance regime, and that of course is all this bill is about.

Let us look at building permits issued over that same three and a half years. We find that for domestic work something like 37 to 39 per cent of all building permits are issued to owner-builders. For calendar year 2003 that was something like 54 000 building permits issued to owner-builders. How can the government really say that those people are acting illegally, that they are all criminals and they should be put out of business? It is just a nonsense.

The greatest number of owner-builders are probably involved with renovation work, and why should that not be so? In the three-and-a-half-year period I mentioned before, something like 40 per cent to 43 per cent in value of all renovation work is done by owner-builders. We heard Ms Carbines talking about Bunnings on a Saturday afternoon. All those people going down to Bunnings to buy their equipment and materials for their owner-builder renovations will be happy little criminals when this act comes in, because what this act says is that if you do work that is over $12 000 you need to jump through all these stupid hoops that these people simply will not be able to or be bothered to jump through, and they will all be criminals. So the government will be able to go down to Bunnings on a Saturday afternoon and arrest half the people going in and out for breaking this law. It is a farce.

What is the use of bringing in a law which nobody will obey, which nobody will enforce and with which all you do is turn these people into criminals? To give an example of the farcical situation that now exists with the way these things are managed, I turn to the latest annual report of the Building Commission, which is for 2002–03. This is an example of the farce of the whole building warranty and building system in this state. On page 29 under the heading 'Building Advice and Conciliation Victoria' it says:

> Building Advice and Conciliation Victoria, a joint venture between the Building Commission and Consumer Affairs Victoria, was launched on 1 July 2002 to act as a dedicated service to assist consumers and builders to resolve domestic building disputes —

as well as to conciliate disputes. Anybody who has had anything to do with building knows that there are plenty of disputes. If we look at the statistics, what do they say? The statistics for that period say that Building Advice and Conciliation Victoria has had 15 000 inquiries, which I could well believe. It goes on to say that BACV has had 1200 written complaints — in other words, from people who have taken it seriously enough to put it in writing. What happens when we look at the figures showing how this has been managed? We find that of 15 000 complaints something like 73 cases have actually gone forward. The other arm of regulation and control in this area, the Building Practitioners Board, deals with complaints against builders and building practitioners. Once again I quote from page 29 of the Building Commission's annual report, which says:

> The Building Practitioners Board carried out 26 inquiries into registered building practitioners' conduct or ability to practise. This was two more than in 2001 ...

You can see that there is an enormous amount of activity there trying to pick up people who are breaking the building law. It is absolutely pitiful. There were 26 inquiries. What is that, one every two weeks? And what has happened as a result of those 26 inquiries? Listen to this: 16 were reprimanded, so they did not get any penalty; 12 got some fine, and I can tell you the

fines were pretty pitiful; and 1 was suspended. It is an absolute farce to suggest that there is any control over builders who do not do the right thing. There is absolutely no control over builders who do not do the right thing because the Building Commission simply fails to meet its obligations.

The building warranty insurance provides no cover at all. It does not cover anything to do with faulty workmanship. It only covers those very extreme cases were a builder to die, become bankrupt or the like, and it only covers 20 per cent of the contract cost in those instances any way. And what do the insurers want? They want huge amounts of money by way of bonds, personal guarantees, bank guarantees and mortgages over houses. It is like a motor car insurance company saying, 'Before we insure your motor car for $10 000 we want a bond of $5000'. And if you crash your motor car the first thing the insurance company does is give you back your own $5000. It is not insurance in any way — it is a farce — and the bill should not have been brought to this house. The bill will do nothing at all to save or improve the building warranty regime. It is supposed to improve the quality of builders' work, but it will do nothing.

The government needs to tackle the builders warranty issue properly and provide a solution to this. The truth of the matter here is that the building industry, particularly the small and middle-sized builder, is haemorrhaging. One option that builder has is to go into speculative building, whether it be to build a house, a block of units or something like that, on which he would take significant risks. If a builder builds to a contract he knows how much money he will get for that job. He knows that 9 times out of 10 he will be paid. When he does a spec job the bottom line is that it is his money on the line all the way for the total value of the building. He does not get any progress payments. As a small businessman he has gone in and tried to make a livelihood using his skills and entrepreneurialism. This bill will close him down for the benefit of insurance companies. It is a disgrace!

Ms ROMANES (Melbourne) — I thank the house for the opportunity to speak on the Building (Amendment) Bill, which amends the Building Act 1993 and addresses unregistered building activity where speculative builders have been avoiding insurance and registration requirements by falsely claiming to be owner-builders. The bill enables home owners to make more fully informed decisions about carrying out domestic building work as owner-builders.

Other speakers have mentioned the size of the domestic building industry in Victoria. There is about $9 billion worth of activity based on the last financial year, and it involves about 90 000 permits for projects in the domestic building sector. About 35 to 40 per cent of all residential building is done by owner-builders, of which about one-third are genuine owner-builders. Two-thirds are believed to be speculative owner-builders, so it is quite a sizeable problem. The bill tackles the loophole and has been put together after consultation with all the relevant stakeholders.

It is worth recalling that this attempt by the Bracks government to further tackle problems in the building regulatory framework is part of its concerted effort over the last five years to clean up the mess left in the building sector by the previous Kennett government. The minister at the time was Robert Maclellan, and the building commissioner was Max Croxford, and they were intransigent and even contemptuous of various players in the planning and building area who called for major reform of building regulation controls at the time.

The Bracks government has moved to bring consistency between building and planning permits and to tighten up demolition controls and thereby improve heritage protection. The government has strengthened the planning and building requirements to bring them into line to achieve the objectives of ResCode. It stepped in to support the building industry at the time of the HIH collapse and has worked hard to address the uncertainties relating to building warranty insurance provision over the last few years.

I heard Mr Hall put forward various proposals for tackling building warranty insurance issues as he sees them, but the issue that he raised about a monopoly provider has been tackled. Now six private companies offer building warranty insurance, and three of those entered the market only a month ago. That is an area where the Bracks government has worked hard. The Minister for Consumer Affairs put in a lot of effort to make sure that there is competition for the market for building warranty insurance and that there are many options for those who are working in the building industry.

Mr Hall referred to the government provision of building warranty insurance in Queensland. In that state the high bar that builders have to jump is not at the insurance level but at the registration level. There are also difficulties for builders in Queensland who have to meet stringent requirements.

Wherever one goes different governments are trying to put in protections to ensure safeguards for consumers in this area. I mentioned a number of improvements that have been made to the building regulatory framework

under the Bracks government. Another is the stabilisation of the building industry by requiring builders to fix defects rather than leaving consumers, builders and everyone involved to get into a wrangle over insurance. The government has put in place Building Advice and Conciliation Victoria to mediate these disputes about standards and performance.

Mr Strong ridiculed the efforts of the Bracks Labor government to tackle the whole issue of helping those who get into disputes with building, as has been done through Building Advice and Conciliation Victoria, by saying that there had been 15 000 inquiries of which only 73 were dealt with by the Building Commission. To analyse that further, of the 15 000 inquiries only 1200 materialised as written complaints. Most were dealt with effectively by Consumer Affairs Victoria, because often people need advice, interpretation and information. The 73 that were dealt with by the Building Commission were successfully dealt with. It is already becoming a successful service that is being offered to both builders and owners of premises that are being built.

The Bracks government has stepped up compliance enforcement, and recently Consumer Affairs Victoria charged 18 shonky builders who were not licensed or in a position to protect consumers from risks. They are the sorts of situations this bill and other actions through compliance enforcement and Building Advising and Conciliation Victoria are all working towards avoiding. These actions against shonky builders send a clear message to those engaged in that practice. It is important to remind the house that the bill is aimed at unregistered speculative builders, it is not aimed at genuine owner-builders or registered builders. It is the registered builders who are doing the right thing who are most in support of the legislation.

The bill puts in place a regime whereby home owners who intend to become owner-builders are required to obtain a certificate of consent from the Building Practitioners Board before applying for a building permit for domestic building work costing over $12 000. It restricts owner-builders to obtaining permits in respect of one dwelling in a period of three years for works costing more than $12 000, although there is the possibility of an exemption in certain circumstances, so the discretion is in place to address the example that Mr Hall raised earlier.

A certificate of consent will be granted on approval of an application that provides evidence that the applicant owns the land on which the works are to occur; that the work is related to a single dwelling only; that the applicant resides in that dwelling or continues or intends to reside in the dwelling; that the owner, and co-owner if appropriate, has not been issued with a building permit in the previous three years; that the applicant has not been in the business of building; and that the applicant has read a compulsory information pack published by the Building Commission in consultation with Consumer Affairs Victoria.

That is aimed at making sure that prospective owner-builders will have read through the compulsory information pack setting out the legal obligations and responsibilities in carrying out work as an owner-builder. It will also include a certificate of consent application form. That is extremely important, because someone has to carry the risk. It is important for owner-builders to know whether it is they who are carrying the risk because the builder they are employing has failed to register or is not insured. That information pack is a large document that contains legal information and a comprehensive outline of responsibilities. It occurs to me that people with language problems would have some difficulty with it. I urge the Minister for Consumer Affairs to ensure appropriate supports are in place to help people who may require extra help as owner-builders to work through their understanding of the document. That sort of assistance should be readily available to them.

Mr Davis in his contribution last week referred to the impact the bill might have on the economy in Victoria. The Alan Consulting Group report of November 2003 commissioned by the Building Commission looked at the economic impact of the bill. That group looked at the various benefits to the industry and the costs and weighed them up. The conclusion of the report states:

> Subject to the assumptions in the report, the Alan Consulting Group concludes that on balance the proposed legislation is likely to have net benefits to owner-builders, the builder registration system, and the community more broadly.

That was the conclusion after looking at a range of costs and benefits. The benefits would come from areas such as a decreased default of builders; a decrease in cost overruns; a decrease in poor quality of work; greater protection for owner-builders; the reduction and involvement of building surveyors in warranty insurance issues and the costs that come with that; and more profit to owner-builders who become registered.

That is a resounding tick for the legislation, which would have widespread benefits not only for owner-builders but also for those who take the right steps, become registered and provide the appropriate protections through the builders warranty insurance that are the overall umbrella of protection for owner-builders. It is a significant bill, given the

extensive dimension of the building industry and its importance to the economy of the state. It is aimed squarely at unregistered speculative builders. It is not aimed at genuine owner-builders or registered builders. It has the potential to provide safety and protection to consumers and home owners, as well as to future home owners who may take over ownership of properties that have been extensively renovated or newly built by someone else.

The bill will provide for improved building standards and put the onus on a particular party to bear the risk of building activity as an owner-builder. In the future owner-builders who do their own work will do it in full knowledge of the risks, legal ramifications and responsibilities involved. The bill thereby gives support to properly registered and insured builders in this state. I commend the bill to the house.

Hon. D. K. DRUM (North Western) — I appreciate the opportunity to contribute to debate on the Building (Amendment) Bill especially as I was away from the chamber last week, and the bill was able to be held over. I also appreciate the opportunity to speak because of my history as a qualified builder. I completed my apprenticeship in the early 1980s and spent most of the 1980s working on building sites — building houses, doing renovations and so forth. I have completed a few owner-builder projects in my post-building life.

As Mr Hall and Mr Strong said, to see where The Nationals are coming from on this bill we need to go back to the second-reading speech where it states that the main purpose of the bill is to prevent speculative builders avoiding insurance and registration requirements by falsely claiming to be owner-builders. If that is the main purpose of the bill, it is clear that it will not prevent that happening. If one has the opportunity to go out and look at the building industry and see what happens in the real world, one would realise this bill will not prevent any of the things it has set out to prevent. If that is the main purpose of the bill, then it fails on nearly every point. It is a dramatic failure, and I will take that as my starting point.

Previous speakers have spoken about the value of the building industry in terms of billions of dollars, what percentage of that is taken on board by the owner-builder fraternity, and their percentage of the building pie versus the actual number of permits granted. Those statistics are quite staggering. Also, comparisons have been made with other states that do things considerably differently.

The true wording of the second-reading speech should have been that the current builders insurance requirements are so stringent, so inflexible and so far removed from what the building industry can afford that too many builders are using means outside the regulations, and that would be a truer understanding of what is really happening in the building industry. Builders left, right and centre are quite capable of completing domestic houses at every opportunity. They can do a proper, well-constructed project and have outstanding credentials.

At the moment in Victoria the building insurance system is a disaster. We heard Mr Hall talk about the fact that one company, Vero — formerly Royal and Sun Alliance — has up to 92 per cent of the market. When you have such a monopoly the chance of that company having to deal with any sort of competition is practically non-existent. It is able to have a building company cease operations at the drop of a hat, and that has been done in my area with a phone call saying that that company will no longer be granted builders warranty, that therefore it no longer has an opportunity to get permits. That one phone call has caused building companies who are turning over about 70 houses per year to cease building operations until they are able to gather up their financial information, have it sent off and get that decision overturned.

The practices of the current building insurance companies are not conducive to creating an environment where building companies are allowed to expand and flourish. As Mr Hall said, the minister has been diligent in trying to get other players into the market, but to date that has been the minister's biggest failure.

Ms Romanes — There are six!

Hon. D. K. DRUM — There are six, but 92 per cent of business is done by one company. If you have 92 per cent of business done by one company in any field, you are going to suffer. At the moment builders are suffering — —

Ms Romanes interjected.

Hon. D. K. DRUM — It is staggering that the member would even bother to try and argue these points when other points in the bill are worth arguing.

Hon. T. C. Theophanous interjected.

Hon. D. K. DRUM — Insurance is a joke, and if the minister wants to go and talk to some of the builders, he would understand it is a joke. Registered builders cannot get a permit. It is worth my going back and talking through the way it is done. For a builder to receive a permit he has to quote his builders warranty

policy number and he must continually make sure that he is up to date with all the requirements set down by the insurer. Once he has that he can then go out and get his permit to proceed with the works.

As Mr Hall pointed out, the insurance premium per project will cost in the vicinity of $970 up to around $2000, which several builders in my area pay on a regular basis — by 'regular' I mean for the two dwellings that are started each week by some of the better builders in my region.

As Mr Hall said, the building companies are having to underwrite their own activities to the tune of between $200 000 and $400 000. He quoted one company which had to underwrite its own operation to the tune of $600 000, which is capital that it has to find within its business. Businesses must put up the money as underwriting capital in case they ever have to make a claim, although we have heard that the only way you can make an insurance claim is if the builder is deceased, permanently incapacitated, gone missing or has gone out of business.

If one does the sums we are talking about fine building institutions that are paying in the vicinity of $120 000 a year in insurance premiums. The fact that they have no claims over a 5, 6 or 7-year period means that some of these building companies are paying up to $800 000 while they have never made a claim. They are paying that sort of money out of their profits.

Hon. T. C. Theophanous interjected.

Hon. D. K. DRUM — They cannot make a claim, Minister, because the only instance in which a claim can be made is for the builder to have died, become permanently incapacitated or have gone out of business. The insurance we are talking about is not defects insurance. If there is a problem with a house, you go back and fix that problem on your own back; there is no touching the insurance pie. You simply pay the premium, and if there are any problems between yourself and the client, you go back and fix them on your own back. You do not make a claim and get paid for the 4 or 5 hours of work you did to fix a leaky roof, a crack in a substructure or whatever. You put the money up to underwrite your own insurance. You pay premiums in the vicinity of $120 000 per annum for insurance that you will never claim on, and we only have one company effectively servicing the whole industry. We wonder why we cannot get a situation of genuine competition!

As Mr Hall also pointed out, we may be able to do a few things. It may be possible to split the insurance. At the moment one premium is paid which covers death and permanent disability — which is a very rare occurrence. Maybe the policy could be split so builders are paid if they go out of business — which is less rare. So builders could pay for whichever part of the premium they thought was more necessary.

I will get back to what is happening out there in the real world. What is happening in the real world — remembering that 40 per cent of them operate as owner-builders — is that builders are going to everyday members of the public and saying, 'I've got a fantastic reputation, and I'll build your house for you. There are 20 houses that I have built in the region for you to have a look at. Go and talk to the owners of the houses and get a feel from them about what sort of job I do'. People are already breaking the rules by employing them as subcontractors and registering themselves as owner-builders. That is where the majority of that 40 per cent comes from — builders who do not want to go through the rigmarole of registering and the hassle of obtaining builders warranty insurance, which is just a one-way street.

Builders are going to prospective house builders and saying, 'I will build you your house provided you register yourself as an owner-builder'. People are now aware that if they do that, they forgo the builders warranty insurance. They are prepared to do that because they understand it is better to get the best builder they can to start immediately rather than having to queue up and wait 6 or 12 months for a house to be built — and you can wait 12 months for a house to be built in regional Victoria. You can get a good builder who is prepared to build you a house immediately provided you register as an owner-builder.

That is the crux of the problem, which the government has not addressed with this bill. The problem is happening all over the place, and it is impacting on all the good builders Mr Hall and I have talked about — the people who are registered, have their shopfronts in the main streets and are building 60 to 80 houses a year by going through the correct channels. They are being impacted on by those acting as subcontractors for those everyday members of the public who are getting themselves stitched up as owner-builders when all they really want is a house built by an outstanding builder. This bill does not deal with that problem.

It has been mentioned a couple of times that people often want to fix up a fence or build a garage or a carport in order to sell a property. That is very common, and the government has mentioned that there is an exemption for it in the bill, but it is not mapped out. It is a very common problem. Real estate agents all around

Australia, especially Victoria, quite often say, 'Put a garage on the house. Do it yourself and then sell the property,' or, 'Fix up the fence, build a patio, a pergola, a shed out the back or whatever it takes and then we can sell the property'. So you do that, sell your house and move on to the next property, but — and I have been in this situation before — while you may have found your ideal house, you might need another bedroom. You have the skills to build it yourself but under this legislation you are going to have to go and get an exemption. If you then want to do something else you will have to get another exemption. That can happen for up to three years; it is quite ludicrous — all to catch people who are supposedly doing something that is vastly wrong!

The other problem, which this bill will not prevent, is that qualified and capable builders are avoiding registration and warranty. A builder can register, firstly, as the owner of a dwelling, build it as an owner-builder and sell it off. Then the builder could register their wife as an owner-builder for another house and sell that off. Then they can register each of their three or four kids, their grandkids, nieces, nephews, aunties, uncles and any member of the extended family to build houses within that three-year period. Registered builders have told me that it is not unusual for some of those guys to have a wad of 20 houses being built within that three-year period, and then they start the process over again and again. There are two major issues in the owner-builders debate that are having an impact but are not being fixed in any way, shape or form by this bill. Therefore The Nationals have no choice but to oppose this bill wholeheartedly.

Hon. S. M. NGUYEN (Melbourne West) — I would like to speak in support of the Building (Amendment) Bill. The second-reading speech sets out very clear and detailed information on why we support the bill. In the last few years Australia, including Victoria, has enjoyed a boom in the housing industry. It has become a big industry that creates a lot of jobs. People spend billions of dollars buying old houses and improving them. Every week in Australia a lot of people who are handymen go to auctions to buy houses to renovate and resell. Some of those people do quick jobs and put them on the market again for resale. A lot of people in the market have been misled by this because the houses look good and nice and clean but the work done on them has not been done by professionals, and no-one goes around to check on the work they have done. A lot of consumers are complaining because they have not been told that a lot of the things fixed in the house were done without a permit. A council may not be aware of the many things that have been changed inside a house because a handyman has wanted to fix a house as quickly as possible.

The bill will tidy up certain arrangements in the building industry. The government wants to protect consumers and to protect the people who are licensed to be builders. I have met with builders many times, and they complain that now it is very hard to get a lot of jobs because there are a lot of unlicensed builders and handymen who can fix up houses at a lower cost. Many of them have done very unprofessional work and have tried to make quick money without going through the formal procedures, without knowing what can and what cannot be done, and without knowing the law. Some of them ignore the law and want to do things the way they like.

The bill will encourage builders to compete to get small jobs in the future and will also encourage those people who want to be owner-builders to go through all the legal formalities and get permits to be able to build their houses. Some Nationals members of Parliament have suggested the government is trying to stop the free market. It is not; it would like to see more people getting involved in the market in a responsible way. For the consumer it is very complicated to go to court, and it costs a lot of money to get lawyers to sue someone. If a job has cost about $12 000 to $15 000, a lot of money has to be spent to sue the handyman or builder. This bill will make sure owner-builders know what things they have to apply for.

A lot of people go to auctions at weekends. They will buy a house but they do not know what has been done to the house, how it was done, who has done it, and whether any permits were involved. This bill is a way of protecting consumers. I am sure consumers welcome it, because they know the government is trying to protect the market, especially those who do not understand about buildings or their structure.

The bill will allow owner-builders to get a permit and build a house within three years. They can apply for another permit within the three years if they have special reasons. I am sure the board will look through and consider any special circumstances.

Before the bill was prepared the government had consultations, and a review and report was done in a professional way by the people involved in the industry — people from the Building Commission and from state government departments. A range of issues were looked at, including how to protect consumers and how to encourage people to do things in the right way. The limit is $12 000; anyone who wants to do any work to the value of more than $12 000 has to apply for a

permit, which will help them go through all the things they need to know before building their own home.

Some people want to buy land, divide it up and build about three or four units. The bill will allow for a permit for building one dwelling only, so if people want to make money out of such an investment, they will have to apply for the appropriate permits.

The report of the review is very clear, and we need to tell the community the right way to do things. I know a lot of people who do not speak English. If they want to build a house, they have to go through a complicated process, and I am sure the government will help them to find the easy way to apply. If the people do not know how to fill out the forms or how to do things in the proper way, it may take longer. But the longer way may be the safer way.

In conclusion I strongly support the regulations because they provide for the long-term future of the industry and for many other things, including that houses need to be fixed or renovated in a professional way. It will avoid many complications for buyers when they buy houses. Sometimes it costs more to fix a house if it was not renovated in a proper way by the previous owners. Consumers will now be more confident when thinking of buying a property at an auction because they know that many houses will now be fixed in a legal way, because people need to get a permit from the council to do jobs in and fix houses. I support the bill before the house.

House divided on motion:

Ayes, 36

Argondizzo, Ms	Lovell, Ms
Atkinson, Mr	McQuilten, Mr
Bowden, Mr	Madden, Mr
Brideson, Mr	Mikakos, Ms
Broad, Ms	Mitchell, Mr
Carbines, Ms	Nguyen, Mr
Dalla-Riva, Mr	Olexander, Mr
Darveniza, Ms	Pullen, Mr
Davis, Mr D. McL.	Rich-Phillips, Mr
Davis, Mr P. R.	Romanes, Ms
Eren, Mr	Scheffer, Mr
Forwood, Mr (*Teller*)	Smith, Mr
Hadden, Ms (*Teller*)	Somyurek, Mr
Hilton, Mr	Stoney, Mr
Hirsh, Ms	Strong, Mr
Jennings, Mr	Thomson, Ms
Koch, Mr	Viney, Mr
Lenders, Mr	Vogels, Mr

Noes, 4

Baxter, Mr	Drum, Mr (*Teller*)
Bishop, Mr (*Teller*)	Hall, Mr

Motion agreed to.

Read second time.

Third reading

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

That the bill be now read a third time.

In doing so I thank honourable members for their contributions.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

DANGEROUS GOODS LEGISLATION (AMENDMENT) BILL

Second reading

Debate resumed from 7 October; motion of Mr LENDERS (Minister for Finance).

Hon. BILL FORWOOD (Templestowe) — It is entirely appropriate and highly symbolic that today we are debating the Dangerous Goods Legislation (Amendment) Bill. The purpose of the bill is to implement national principles for the regulation of ammonium nitrate and to establish a framework to regulate any other substances subsequently identified as being of security concern. Today is, of course, the second anniversary of the Bali bombing. I know that honourable members in this place will join me in remembering the 202 people who died on that occasion and the havoc that was wreaked on the lives of so many of the people who survived and the families and friends of those who did not survive that appalling event.

The bill is part of a national regulatory framework designed as part of Australia's counterterrorism approach. At the Council of Australian Governments (COAG) meeting on 25 June all states agreed to this approach. It has, of course, been a hallmark of the Howard government that it has taken a strong and vigorous approach to matters of terrorism around the world, particularly in its region area around Australia. Along with the states, it has moved on a number of fronts to ensure that Australia is well equipped to deal with the threat of terrorism wherever and whenever it should occur.

Ammonium nitrate is an extraordinary substance. *The Scotsman*, Scotland's national daily newspaper, of Wednesday, 31 March, had a story headed 'Bombers' lethal ingredients available over the counter', written by Gethin Chamberlain, the newspaper's defence correspondent. I share with the house some of the comments in the article:

> Cheap, widely available and safe to handle, ammonium nitrate is the bomber's chemical of choice.
>
> Selling for as little as £130 a tonne, it can be purchased without difficulty, from small volumes available in garden centres to large shipments available, with very few questions asked, from large multinational chemical companies.
>
> Providing it is purchased in the correct form, all it takes to transform it into a lethal explosive is the addition of a little fuel oil — 6 per cent by volume — and a reasonably powerful detonator.
>
> The IRA was among the first to appreciate the potential of the white crystalline salt, utilising it in many of its most powerful bombs. Since then it has caught on around the world. When the World Trade Centre was bombed for the first time in 1993, it was ammonium nitrate that formed the core of the bomb. The bombs used to such devastating effect in Oklahoma City in 1995 and in Bali in 2002 and the bomb found outside the US embassy in Karachi, Pakistan, earlier this month, were all manufactured from the same chemical. Even the Soho bomber, David Copeland, was found with 2 kilos of the chemical in his room in 1999.
>
> ...
>
> But while other more powerful explosives are more difficult to source, ammonium nitrate is available everywhere. Produced industrially since the 1930s, the United States alone produces 8 million tonnes every year, and in the UK, according to *Farmers Weekly*, ammonium nitrate is available from Poland, Georgia and Bulgaria at ports in both western and eastern England, priced at about £130 a tonne. This year imports into the UK alone are likely to amount to 270 000 tonnes.

The article goes on to quote Professor Paul Wilkinson, the chairman of St Andrew's University's centre for the study of terrorism and political violence, saying:

> 'It's a fertiliser which can be very easily purchased as it's not prohibited in any way' ... 'When combined with diesel oil, and perhaps boosted by semtex, it would make a very destructive bomb.'

It finishes, some paragraphs later, with the following:

> When Islamic terrorists in Bali used ammonium nitrate in the biggest of the bombs planted in 2002, they succeeded in killing 202 people, and 168 people died in the Oklahoma City bombing.

The reason that members are today debating this legislation — which I put on the record the Liberal Party wholeheartedly supports — is to put in place a regulatory regime that ensures that it is not easy to get hold of ammonium nitrate except for specific purposes by authorised people. I am sure all Australians welcome this legislation. There is some concern about the regulatory regime, which I will touch on later, to do with legitimate users of the product. I make the point really strongly that in today's world environment we must have legislation that protects us from the reckless use of a product such as ammonium nitrate. For that reason, members of the Liberal Party wholeheartedly support the legislation.

A communiqué from COAG on 25 June states that:

> COAG agreed on a national approach to ban access to ammonium nitrate for other than specifically authorised users. The agreement will result in the establishment in each jurisdiction of a licensing regime for the use, manufacture, storage, transport, supply, import and export of ammonium nitrate. The licensing regime will ensure that ammonium nitrate is only accessible to persons who have a demonstrated legitimate need for the product, are not of security concern and will store and handle the product safely and securely. This arrangement will balance security considerations with the legitimate needs of industry and farmers.

It goes on to outline a set of national principles, which I will turn to in a moment. The communiqué went on to say that all states and territories would use their best endeavours to ensure that they would have the licensing regime in place by 1 November 2004. That is why Victoria is dealing with the legislation now, in October. I know that we will meet that 2004 deadline.

It is apparent that this is only enabling legislation and the details of how it will work will be in the regulations — and I will mention those in a moment as well. When we were briefed on the bill I was advised that the intention is that we will have draft regulations before Christmas. They will be out for discussion with the intention that they will come into operation some time early to mid next year. I stand to be corrected on that, but that is my understanding of when the regulations will finally come into force.

Another of the things COAG said in its communiqué is worth putting on the record:

> COAG also noted that the Australian government would continue to undertake investigations on the viability of completely banning ammonium nitrate fertilisers of security concern as a matter of priority, taking into account whether effective, non-detonable alternatives can be developed, and provide information on any alternatives to the states and territories.

I am advised that Tasmania has taken that decision. Rather than taking the route we have taken in Victoria of having enabling legislation coupled with regulations, Tasmania has taken the decision that it will ban ammonium nitrate fertilisers outright. As COAG said, it is looking at ways of getting this product out of the

market. I understand one of the largest suppliers of fertiliser in the state, Pivot, has made a decision that it will no longer manufacture or distribute this product.

The amount that is used in Victoria is difficult to ascertain. I am advised that throughout Australia around 50 000 tonnes a year are used for horticultural and agricultural purposes, but some people in Victoria use significant amounts. I know, for example, of an almond farmer in the north-west of the state who uses between 1200 and 1400 tonnes of this product a year. It is an integral and important part of their business, and it is for that reason that the farmers are concerned to ensure that the regime put in place to protect Australians from the misuse of this product does not impinge upon their capacity to go about their lawful and legitimate business. I must say that I was pleased during the briefing to be advised that the intention of the government is to make the regulations 'as practical as possible for farmers'. I make the point that we will be doing what we can to ensure that that is followed.

I mentioned earlier that the Council of Australian Governments had produced some principles for the regulation of ammonium nitrate. The draft guidelines for its agricultural use go to quite some length, and before I turn to the farmers' concerns it is important to put on the record some of the issues that are contained in them. The principles, as set out by COAG, start with the policy aim of having a national, consistent, effective and integrated approach to controlling access to security-sensitive ammonium nitrate (SSAN). I should also make the point at this stage that while we are dealing with SSAN at the moment, this bill has the capacity to be extended to other high-consequence dangerous goods should COAG later decide that. I am sure that this is the right approach to take.

We do not want to be coming back time and time again with specific legislation for specific products. We need to put into place a regime that enables COAG through its processes to say that other products should be treated as high-consequence dangerous goods so that they can be treated the same way as we are treating security-sensitive ammonium nitrate in this bill. The second of the policy aims is to ensure accountability at all stages of the ammonium nitrate supply chain in order to address security and safety concerns. The third aim is to establish a framework for control which may be applicable for the other materials of security concern, which I touched on a moment ago.

The principles start with an authority that is required to import, manufacture, store, transport, supply, export, and use or dispose of security-sensitive ammonium nitrate. This is designed as a compound with more than 45 per cent ammonium nitrate in it. It goes on to say that people seeking the authority will be required to demonstrate a legitimate need, provide safe and secure storage and handling, report loss, theft, attempted theft or unexplained discrepancy, undergo background checking, be over 18 and provide verifiable proof of identity, and if a company, details of the company. The bill makes it clear that the 100 points system used for banks will be the sort of system that is envisaged for identity checks in relation to this.

This attachment to the COAG report makes it clear that legitimate need is likely to include use in commercial production processes, mining, quarrying, manufacture of fertiliser, explosive, educational research and laboratory use, commercial use and agricultural use by primary producers as well as services use for transportation and distribution of product. It goes on to say, however — and I think this is really important — that household and domestic use and the fertilisation of recreation facilities will not be considered a legitimate need for the use of ammonium nitrate products in the future. It then goes on to detail each of the areas I have touched on and how you will go with importation from overseas; as a minimum, SSAN must be stored at a locked facility container or be under constant surveillance.

The guidelines that are being developed at the moment are of some concern to farmers. In correspondence to me farmers have said that while they accept that this issue needs to be dealt with, they have some concerns about it. The Victorian Farmers Federation (VFF) said it was disappointed that farmers are being singled out and that other equally hazardous materials such as pool chlorine is not being targeted. I make the point that if it becomes necessary for other products to be classified as high-consequence dangerous goods, then they will be, and I think that is entirely appropriate. I do not think the VFF is being singled out. It complains about consultation in relation to this, but I should say that I have been informed that at the moment there is a detailed period of consultation taking place with the farmers and their representatives in relation to how the guidelines and regulations will work.

Whilst we and our colleagues in the National Party will be vigilant to ensure the support and protection of Australians from the misuse of this product, we do not want to unfairly penalise people going about their legitimate business. The VFF is concerned that once the regulations have been developed, they may be interpreted in a variety of ways by WorkCover inspectors on the ground. I should make the point that dangerous goods come under the responsibility of the

Victorian WorkCover Authority, and the bill talks about the powers of VWA inspectors in clause 6.

Clause 6 inserts proposed subsection (8) into section 17 of the Dangerous Goods Act. It states:

> Without limiting an inspector's powers in relation to dangerous goods generally, an inspector's powers under this section extend and apply to and in relation to the import, export and disposal of high-consequence dangerous goods and the export of explosives.

As has been said by members of the other place, sometimes there is a genuine concern about the role that WorkCover inspectors play, the consistency in the way they approach particular issues and the attitudes they may adopt. I am aware that the Victorian WorkCover Authority is going to some lengths to train its inspectors and that it has a course under way that is designed to ensure that WorkCover inspectors are properly and appropriately equipped to do their jobs consistently. I have some confidence that, although I am sure not everything will always be done properly and there will be mistakes from time to time, in the main we can be assured the WorkCover inspectors will use their authority appropriately and sensibly in relation to these issues.

I should also make the point, as we are discussing the development of these regulations, that of course they will be able to be disallowed by either house of Parliament, which is as it should be.

One of the major concerns that the Victorian Farmers Federation raised in its briefing notes on the ammonium nitrate issue is that the new regulations may require farmers and users of fertiliser products to undergo a police check, a separate Australian Security Intelligence Organisation (ASIO) check, and licence renewal every three to five years. I understand that at one stage the VFF was concerned at the prospect of having to have separate licences for transportation, storage and use of product, but I understand that has now been solved and there will now be just one licence for those products for agricultural users, although perhaps that has not yet been settled.

Hon. Andrew Brideson — Perhaps the minister will make a response.

Hon. BILL FORWOOD — Perhaps he might. But in circumstances where we know there are a finite number of agricultural users who are using this product, we should not be treating them as though they are the enemy. We should be saying, 'These are people who have a history of longstanding legitimate use of these products, and we do not expect them to be people who are terrorists; we know they are not. We will be ensuring the regime works and the accountability is in place, but they are not the enemy'. I am sure that is the approach, as I said, the Victorian WorkCover Authority will take. The VFF went on to say:

> The VFF believe the new arrangements should:
>
> only require a single licence, valid for a 15-year period;
>
> a single licence applicable to farmers covering purchase, transportation, storage and use of product;
>
> a licensing regime supported by enhanced record-keeping of farm users of fertiliser products, maintained by suppliers —

and only one police check and other issues as well.

The VFF has legitimate concerns which I believe need to be taken seriously. It said:

> The VFF will use every opportunity to emphasise the low security risk posed by farmers' use of fertiliser products and the impracticability of imposing heavy new regulations.

I understand that since then some work has been done on the draft ammonium nitrate guidance note. The version I have in front of me is dated 6 October and headed 'Ammonium nitrate guidance note no. 3 — agricultural use (farmers licence)'. The draft goes to some five or six pages and deals with the scope, definitions and the like. It says, for example, that 'under lock and key' means:

> a secure fenced compound ...
>
> a secure shed with lockable entrances and barred windows ...
>
> a secure and lockable freight container, cabinet or cage;
>
> a locked building;
>
> a locked tank ...
>
> a securable fertiliser field bin, with a tamper-evident seal.

It talks about what 'constant surveillance' means. It goes on to requirements, which of course include a security plan. Users of this product will be required to have a security plan which has been submitted. The plan is to meet a number of compulsory requirements. The first is a site map in some detail. The second is the list of persons to have unsupervised access to the security-sensitive ammonium nitrate. The third is details of secure storage arrangements. The fourth is details of secure transport arrangements if they are transporting it outside the property. The fifth compulsory requirement is procedures and record-keeping. It then goes on to some additional measures.

One of the interesting questions that has been raised by the farmers is who will have access to the security plan. In this correspondence that I have received from Peter Cochrane, whose title is chairman of the Agricultural and Veterinary Chemicals Committee of the VFF, he said:

> Who will have access to these plans? If ASIO are to be the only people then I feel that that would be OK, but if people in WorkCover, police, fire etc. have access to these site plans then that is far too many people. One person could gain access to all the SSAN site plans in each state showing exactly where the SSAN is stored and the type of security etc. That would be absolutely crazy.

I think this is a legitimate concern. We are putting in place a regime that is designed to protect the community, and we ought to do it in a way that does not enable somebody to get easy access to material that could compromise the very intention behind what is happening. So I trust the minister will be able to address this point in his contribution. As well as making sure we do not put too onerous conditions on farmers we do need to ensure that the information that is gathered as part of this regime is protected in a way that does not enable its misuse by any person who may have ulterior motives for its use.

As I said, it is symbolic that today — the second anniversary of the Bali bombing — we will be passing legislation that sets in place the regime that will regulate the use of this lethal product in a way that I think all Australians would agree with. For that reason I say again that the Liberal Party fully supports this legislation.

Hon. W. R. BAXTER (North Eastern) — I thank Mr Forwood for his very informative contribution on this bill, and I wholeheartedly concur with the sentiments that he expressed. I do not think there is any doubt that this legislation is an unfortunate product of the unstable times in which we now live. We have apparently cells of heartless thugs in different parts of the world who have absolutely no compassion and no decency and also, it seems to me, often no clear objective either of what they are trying to achieve by these dastardly acts they have perpetrated, whether at the World Trade Centre in the first instance, at Oklahoma City, Bali, or the numerous other instances that we can all recall.

Clearly it is incumbent upon governments — and I am pleased the Council of Australian Governments has taken the initiative — to do as much as is humanly possible to make it as difficult as possible for these criminals to gain access to bomb-making materials. I suppose in some senses it is bad luck and curious that such a widely available and valuable man-made product as ammonium nitrate, which is not a naturally occurring product but a manufactured product and which happens also, albeit on its own, to be stable, safe to handle and easy to transport and store, if combined with certain other elements such as diesel fuel, could turn into a very damaging bomb indeed. I think the definition given in this bill of 'high-consequence dangerous goods' is a somewhat peculiar description, but I suppose when you think about it the consequences of criminally misusing this material are very high indeed. The Nationals, therefore, have no hesitation in supporting this template legislation, and we hope the other states get on with it as well.

I am a little disappointed that Tasmania is going down the road of banning the substance. I think it will be used less and less in the future, and no doubt there will be greater and greater research into finding alternative fertiliser products which do not have those particularly dangerous attributes, but in the meantime I think it is important that we keep it available under reasonable conditions of supply and storage to primary producers who need it.

There is no doubt at all that ammonium nitrate has been significant in increasing productivity in the state of Victoria. The Select Harvests almond plantation at Boundary Bend in the north-west mentioned by Mr Forwood is a case in point. It has become an example of world best practice. It is a significant user. Yes, it is true that Incitec Pivot, the largest fertiliser manufacturer in Australia, has taken a decision to cease production, ostensibly because ammonium nitrate can be used in bombs. I do not want to doubt the manufacturer, but I think it has probably found it can utilise its plants for the manufacture of other products which generate a higher return and it is fortuitous that it has had a convenient excuse to peddle out to its loyal customers who can no longer buy it from the company.

That is not to say that it is the only manufacturer in the state, of course. Western Mining Corporation, through the HiFert organisation, is another supplier, and there are other direct importers, such as Direct Fertiliser. So it will still be available to farmers who need it, but I do not have any doubt that over time its use will decline, particularly if alternatives come onto the market — and I am sure they will.

One needs to bear in mind that Australian soils are largely deficient in phosphorous and other elements, and if it were not for the use of fertilisers over the years perhaps going back first to the British Phosphate Commission and Nauru, we would not have built the

very prosperous and highly productive primary industries we have built in this country. We have soils that need these additions, and if we are to continue down the road of continuous cropping and gaining the maximum productivity from a given area of land — and I think that is the only way we are going to be able to remain competitive on the world stage — we will clearly need to continue to have fairly high inputs of fertiliser. We need to be very careful indeed that we are not stymieing our great export earners in the name of protecting the community from terrorism. It has to be a balance, as I think Mr Forwood was at some pains to indicate a little while ago.

The devil is always going to be in the detail, and I am concerned about what the regulations are going to say. I think all speakers have made that point, at least on the opposition side. If you look at the speeches made, for example, in the other place by the members for Swan Hill, South-West Coast and Benalla, and by Mr Forwood here, you see that they have all commented on the fact that the regulations need to be practical and workable. It did seem from reading some of the government backbench contributions in the other place that there was a total lack of understanding of the practicality of storing fertiliser, using it — —

Hon. Bill Forwood — And transporting it.

Hon. W. R. BAXTER — And transporting it. It was just another indication that if you have never been out in the real world, you should not pontificate. I am concerned, for example, that clause 7 mentions in four places requirements prescribed by the regulations. They go with police checks, licensing requirements and so on. We will need to have a pretty good look at the regulations. I note Mr Forwood said they are disallowable by either house of Parliament. That used to be a wonderful safeguard prior to 2002. Regrettably it is not of quite the value it once was, so I am not able to take too much refuge in that safeguard any longer, but I would hope, in the light of comments made by honourable members in both houses, that the persons drafting the regulations will go out of their way to make sure that they are capable of practical application. That will mean talking to the Victorian Farmers Federation, talking to farmers, talking to users and to manufacturers and to the transport industry, so that we can put in place something that does not, as Mr Forwood so eloquently put it, turn the users — the farmers — into the guilty party, the enemy, because they are not. They happen to be the meat in the sandwich here, and we need to be very careful that we do not impinge too much on their capacity to earn a livelihood.

I think it is fair to say that the Victorian WorkCover Authority inspectors have somewhat of a — I was going to say an appalling reputation; that is probably too strong a word — less than desirable reputation around country Victoria as to the way they go about their business and their inconsistency in the application of regulations. I was pleased to learn from Mr Forwood's comments that the VWA is going to some lengths now to train its inspectorial work force. I would think with this particular legislation it will be very important that the persons enforcing the regulations out in the field are well versed in the requirements and have some understanding of the practical consequences of transporting, storing and using this product. For example, if it is going to require a licence to transport the product — and I understand it is — I would hope that licence will mean that you can transport it from storage on the farm to another paddock where you are going to use it, despite that meaning you are going to go on a public road, without having to either give notice or get another licence. That seems elementary, I am sure, and I think it is elementary to Mr Forwood, by the look on his face and his comment, but we have seen examples in the past where when the regulations have come out simple things like that have not transpired and those sorts of onerous requirements have been put on people.

Similarly, I would be very concerned if any age limit were imposed on the persons using it. I am not objecting to very young children being barred from using it, of course, but there are many teenagers who work on family farms — 15 and 16-year-olds — during school holidays, at the weekend or whenever, who might well be sowing a crop that is utilising this product. There is absolutely no danger, and I would not want to see regulations that meant in any way that they would not be able to carry on that traditional assistance on the family farm.

I would also support Mr Forwood in saying that surely we only need one licence. We do not need multiple licences for transport, for storage and for handling. I would also hope the security requirements are reasonable. I listened to the draft regulations being read out, and on the face of it they did not sound too bad. If that is the way we are going, perhaps we can live with it. Let us get the regulations out into the marketplace; let us get a bit of consultation and have the spotlight shined on them by practical people who are going to have to work with the regulations day in and day out. Let us get some idea as to what they think, because all the wisdom is not going to reside with the bureaucracy in this.

To some extent we are charting new ground. We want to make sure we come up with a system that we can put in place and that will achieve so far as possible the very desirable objectives of this legislation but at the same time does not impinge unduly on persons who use this product for absolutely legitimate reasons — and reasons which are very useful and valuable to the economy as a whole.

I simply indicate that we in The Nationals support the principle of the legislation. We call upon the government to make sure that the consultation in the drafting of regulations is widespread and far more than just tokenism. We would hope that there is a willingness to amend the regulations when they are finally agreed to if experience demonstrates in the short term that they are not as efficient and as practical as they should be.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to rise and make a contribution to this important debate and speak in support of the Dangerous Goods Legislation (Amendment) Bill. Once again it is always a pleasure to speak on an important bill when it has the support of the opposition and The Nationals.

I take the point made by both previous speakers that it is indeed a significant day when you consider that today we are commemorating the second anniversary of the Bali bombing and the very tragic circumstances that occurred there with the tremendous loss of life, including the lives of many Australians. It crystallises the importance of having a bill like this and being a Parliament that is part of putting in place and seeing the passage and development of very important legislation that will see greater security and protection of Australian people and certainly those who reside here in Victoria.

I also pick up the points made by Mr Baxter and to some extent Mr Forwood that the bill is about getting the balance right. We want to ensure that we restrict and prohibit people who have nothing more than destruction and terrorist activity on their minds from being able to get their hands on ammonium nitrate, which can be used for this sort of activity. At the same time we recognise the very legitimate right of people to access and use this product in their farming and mining activities, whether it be for, say, dairying or horticultural purposes. The bill is about our ensuring that those who have destructive intentions cannot access this product, while those who need it for legitimate causes and work are able to access it.

The Bracks government is leading the way in confronting the potential for terrorism on our home front and backdoor by becoming the first Australian state to introduce laws that restrict access to this potentially dangerous product.

Victoria has played a leading role in the development of national principles for the regulation of ammonium nitrate. The principles call for regulation, along with licensing, in relation to the use, manufacture, storage, transport, supply, import and export of this potentially dangerous compound. Victoria is the first to act and is the first state to see these provisions put in place by the bill before us today.

The Victorian government will continue to show support for legitimate users, such as those in the agricultural and mining sectors. We certainly do not want to see, as was suggested by the previous two speakers, our farmers being turned into some sort of guilty party. By bringing the bill before the Parliament and having the legislation enacted it is not the government's intention for that to happen. We want to see ammonium nitrate able to be used for legitimate purposes, because it is a legitimate product. It can and should be used only for legitimate purposes in horticulture, dairy and agriculture, and in mining and quarrying. However, as has already been mentioned, we have seen the very devastating effects that have come about when this product has fallen into the hands of those who have destruction as their motivating factor.

In June of this year the Council of Australian Governments (COAG) agreed on a national approach to ban access to certain types of ammonium nitrate products known as security-sensitive ammonium nitrate; it agreed to restrict its use to authorised users. A set of national principles has been developed for the regulation of the use of ammonium nitrate, and it will require the establishment of responsibility in each jurisdiction for the licensing of ammonium nitrate in areas such as manufacture, storage, transport, supply and import and export.

As has been mentioned by previous speakers, the Council of Australian Governments is likely to conduct a review of hazardous materials that will identify other dangerous goods as security concerns which will require a similar regulatory approach to that proposed by the security-sensitive ammonium nitrate. Such dangerous goods can then be determined by COAG to be high-consequence dangerous goods. The bill, as has been mentioned by the Honourable Bill Forwood, is broad enough to accommodate that circumstance. We do not want a situation where we have to keep coming back and making changes to legislation each time a new product is identified.

Victoria has been involved and played a key role in the development of the national principles, and through the agreement with COAG it has enhanced Australia's security while at the same time ensuring legitimate users of ammonium nitrate have access to it. The bill is consistent with the government's commitment to both promoting the safety of workers as well as the general public and supporting national security and a whole range of counter-terrorism arrangements that are in place.

The bill amends the Dangerous Goods Act of 1985 by creating a class and category of dangerous goods to be declared by an order in council as either security-sensitive ammonium nitrate or high-consequence dangerous goods. It also enables regulations to be made to require the licensing of all persons who will be involved in the handling, import, manufacture, store, supply, export or disposal of these high-consequence dangerous goods.

Proposed section 21A of clause 7 sets out special provisions for high-consequence dangerous goods and states clearly the requirements of a person who will hold a licence to manufacture, transport or store explosives or high-consequence dangerous goods. It talks about the applicant providing a security plan for activities that will be covered by the licence and also requires that the licensee at any time during the currency of the licence has to provide a security plan for the activities covered by the licence.

It sets out that a licence must not be issued to import, export, manufacture, store, sell, supply, use, handle, transfer, transport or dispose of these dangerous goods under certain circumstances. The person must be over the age of 18 years and must provide specified proof of identity. If it is a body corporate that is making the application, it has to provide proof of the identity of the directors or the persons who will be concerned in the management of the body corporate. It sets out a range of safeguards for the issuing of licences.

The bill also provides for administrative powers to forfeit or dispose of high-consequence dangerous goods or explosives where the owner is unknown or cannot be found, or for a court order for either the forfeiture or disposal of dangerous goods. It also enables background checks by police or other authorities or agents concerning the applicant.

The bill also contains a number of amendments to the Road Transport (Dangerous Goods) Act 1995 to enable regulation for the transport of these goods by road, and to the Terrorism (Community Protection) Act of 2003 to cover the requirement in the national principles to report incidents where there may have been a theft, attempted theft, loss or some sort of discrepancy in relation to these goods.

The aims of the national principles are about having a nationally consistent as well as an effective and integrated approach to controlling access to security-sensitive ammonium nitrate to ensure that it is only accessible to those who have a legitimate need, can demonstrate that legitimate need and are able to meet the criteria as set out in the bill to obtain a licence for that legitimate activity.

The bill also ensures accountability mechanisms, which are important when dealing with a potentially dangerous product. There must be accountability at all stages of the supply chain. It is about ensuring that the security and safety aspects are addressed. The bill also establishes a framework for control which may be applicable for other materials deemed to be of security concern.

It is an important and good bill which is about ensuring that people who need to have access to this product for legitimate reasons are able to access and use it in the way it is designed, and that those who have destructive intentions, such as terrorists, are not able to access it. It is a good and important bill about security, and it deserves the support of all members of this chamber. I wish it a speedy passage.

Hon. RICHARD DALLA-RIVA (East Yarra) — I have pleasure in making a contribution to the Dangerous Goods Legislation (Amendment) Bill, and in doing so I indicate the opposition's support for it. Previous speakers have indicated that the bill has emanated from the Council of Australian Governments agreement. COAG agreed that the states and territories would use their best endeavours to ensure that the legislative arrangements for the licensing regime are in place by 1 November 2004. I assume that its passing will mean this will be quickly adhered to.

Previous members have expressed concern about the implementation and licensing requirements of the bill. I shall put on the record why we are considering restricting high-consequence dangerous goods, in particular ammonium nitrate.

For the record, ammonium nitrate is a chemical compound with the formula NH_4NO_3. As previous speakers have discussed, it is commonly used in agriculture as a high-nitrogen fertiliser. From some communications from Queensland I note that a similar bill has been passed or is about to be passed. Contrary to popular belief, ammonium nitrate is not commonly

used as a fertiliser in Australia but is used by a small section of farmers, mainly horticulturists. However, in Queensland 98 per cent of the ammonium nitrate is used by the mining industry.

I am conscious of the briefing note from the Victorian Farmers Federation, dated 20 August, that was provided to members; it outlines a number of concerns. When you take it in the context that 1 per cent of ammonium nitrate is used within the farming community — even if it is higher in Victoria — one would probably argue strongly in its favour that the regulatory supervision is a bit heavy handed.

I weigh that against the argument about what ammonium nitrate does. As I indicated, it is a high-nitrogen fertiliser and therefore by definition it also has an application to explosives. Without going into detail, it is quite clear that it is often used to make bombs. I will detail why we have this bill before the house and the regulations that will follow thereon.

Ammonium nitrate can explode without any detonation. In 1947 there was a disaster in Texas City when a large stockpile of the material detonated due to supporting oxidation, which led to major changes in the regulations for its storage and handling. Ammonium nitrate is used in instant cold packs and in the treatment of titanium ores, and industrial production is quite easy.

In the context of adding a different slant to the debate I will refer to incidents involving terrorists who have used ammonium nitrate. In the 1970s the Irish Republican Army used ammonium nitrate bombs, which led to the European Economic Community, now the European Union, regulating its sale. In 1995 we had the Oklahoma City bombing, which was an attack against the Alfred P. Murrah federal building. On that occasion 168 people were killed, which led to some legislative changes in relation to terrorism offences.

In 1996 ammonium nitrate was used in the Irish Republican Army's bombing of London's Canary Wharf. Total damages were estimated at £85 million and several buildings were demolished. Two people were killed and 100 were injured. It is estimated that about half a ton of ammonium nitrate was used for that bomb.

In 1998, 225 kilograms of ammonium nitrate were used in the Omagh bombings which killed 29 and injured 330 people. As was indicated by the previous honourable member, the 2002 Bali bombings involved two bombs exploding on 11 October 2002 when 202 people were killed by the blasts at the Sari Club and Paddy's Bar. Of the 88 Australians who were killed, 22 were Victorian. It is estimated that the bombs weighed between 50 and 100 kilograms respectively. On 15 November 2003 two bombs were set off in two synagogues in Istanbul. On 20 November 2003 two attacks were made against the British consulate and the London-based HSBC Bank. Four pick-up trucks were used for an estimated 5060 pounds of fertiliser.

In late March 2004 London police thwarted a significant terrorist plot in London when they seized half a tonne of fertiliser. On 30 March in Thailand the theft of 1.54 tonnes of ammonium nitrate from a poorly guarded quarry caused concern at the lack of regulations.

As a side issue, I highlight the seriousness and intent that can be applied. Honourable members may recall, and I certainly remember when this story broke, that a Sydney man caused a 2.5-metre deep crater and a blast heard many miles away when he used 100 kilograms of the fertiliser to blow up an unwanted car in January. Debris was found 350 metres from the detonation site. Unfortunately that whacker found the recipe for the bomb on the Internet.

It quite clearly indicates that over the period of years dating back to the 1970s ammonium nitrate has been applied as a component for significant terrorist attacks. There is no doubt that the legislation is part of a uniform national approach. In the research that I have seen and undertaken Australia is quite clearly more advanced than many in developing an appropriate response. We need to commend the federal government and all relevant state governments for implementing this before the established deadline of 1 November. On that basis, the opposition supports the bill, and like the previous speaker I wish it a speedy passage.

Mr VINEY (Chelsea) — I only wish to make a fairly brief contribution to this legislation, which I am pleased is being supported by both sides of the chamber today. In doing so, I acknowledge that the importance of this legislation is really a part of the antiterrorism legislation and responses that are unfortunately needed in our society today.

On a bill such as this it is worth acknowledging that today is the second anniversary of the Bali bombings, and acknowledging as a commemoration of that the terrible loss of lives not only of the Australians who were killed in that gross act of terrorism but also the people of other nations, and in particular the significant number of Balinese. Many years ago I had the pleasure of spending some time in Bali, which I found to be a beautiful and peaceful place. With those memories it is

sometimes difficult to reconcile those tragic events of two years ago today.

It is important that this Parliament, in conjunction with the other states and the commonwealth, works cooperatively and collectively to ensure that we put in place a regime to as best as possible prevent the misuse and abuse of what are legitimate products in terrorist attacks. It is pleasing that the system of cooperation in Australia is able to be mounted in this way through the Council of Australian Governments. What is good about this legislation is the way it is structured to provide regulation-making powers for the handling of high-consequence dangerous goods, thereby allowing the government of the day to add to the list and to make regulations in relation to the handling, storage and transport of these products.

It is important to recognise that there are a number of people, particularly in the farming community, who have sensibly and responsibly used, handled and managed those materials for many years. I am sure the new regulations will have some impositions on people who have legitimately and properly used those goods in the past, which is unfortunate, but those impositions are necessary. It is a reality that the regulations are required in our society.

The legislation creates the category of high-consequence dangerous goods and provides that dangerous goods of security concern are to be declared as such. It implements a new licensing process for persons who import, manufacture, store, supply, export or use or dispose of these goods, and it puts in place the power to ensure that there are controls on the use and storage of them so there can be proper accountability for goods that might be lost or go missing. Unfortunately these goods have been used for illegitimate purposes, and it is important in these times that we ensure that we make the misuse of these goods for terrorist attacks on ordinary people as difficult as it can be. To that extent, I welcome this piece of legislation.

It is quite fitting and appropriate for this Parliament to be dealing with this legislation in this chamber today, which, as I said, is the second anniversary of the Bali bombing. I commend the bill to the house.

Hon. A. P. OLEXANDER (Silvan) — It occurred to me while listening to this debate that we spend an enormous amount of time in this Parliament legislating and regulating against the darker side of human nature and trying to prevent human beings from doing harm to other human beings. That is a very regrettable thing about the job that we have as legislators, but it is a reality, and we are here doing that very thing again this evening.

The Council of Australian Governments has asked us to come here to consider this legislation, and my party, the Liberal Party, being very concerned about the issue of national security and terrorism, supports this measure without any compunction whatsoever. But when you seek to regulate and legislate to prevent the worst excesses of human behaviour, as we are here tonight, you can also have an impact on others. What we are doing is regulating a product which can be used for great good or for great evil. Ammonium nitrate has certainly provided enormous benefits to our primary producers and the horticultural and agricultural sectors over many years, but it can also be used for great evil. We have some major examples, and I do not need to recount those examples in the interests of brevity, but of course Bali, Oklahoma City and other terrorist incidents around the world are uppermost in our minds. We certainly do not want to see a replication of that type of devastation here as a result of the lax use of this substance.

We also have a responsibility as legislators to be mindful of the fact that this product has enormous positive benefits to the agricultural and, in particular, the horticultural sectors. We are very lucky in my electorate and the region to have a very vibrant stone fruit growing industry. Some of the highest quality stone fruits in Australia are grown in the outer east of Melbourne, in the vicinity of the Dandenong Ranges and the foothills and of course the Yarra Valley. We have winemakers, grape growers and berry growers. They are multimillion-dollar industries which are employing increasing numbers of people and exporting more and more Australian product both interstate and around the world. It is a very high-quality product, and it is earning enormous export income for Victoria.

These industries do occasionally use ammonium nitrate, but there are other products they can use, such as some of the naturally occurring salts, to instil nitrogen into the soil. They can use potassium nitrate, sodium nitrate and calcium nitrate, and often do, but these are more costly and affect their budget bottom line, and they are in very highly price-sensitive markets. So these measures, if they are too onerous in terms of regulatory requirements — and the devil is in the detail of the regulations so far as this legislation is concerned — will be of concern in my region.

I also have an extremely vibrant and growing horticultural sector. The cut flower industry and the industry that supports root stock for fruit and other exotic trees use ammonium nitrate on a regular basis,

particularly the exotic flower industry. The native Australian flowers, which are focused very much on the export market, do not require ammonium nitrate because they tend to thrive in nitrate-poor soils, which of course Australian native soils are. But the exotics use ammonium nitrate quite a lot, and those businesses also operate in a very stringent cost setting. I want to advocate on behalf of these multimillion-dollar industries which employ many people in my region. I do not have to convince members about the wine industry, but perhaps they need to understand that the horticultural, cut flower, berry and stone fruit industries in the region are growing in significance and are also multimillion-dollar industries.

I ask that the government, when it consults on what the regulations say — and we have heard all about the concerns of the Victorian Farmers Federation (VFF), and I and the growers in my region share many of those concerns — specifically engages in discussions with wine growers in the Yarra Valley. I ask that it consults with the stone fruit and berry industries in the outer east, and in particular, the high users of ammonium nitrates — that is, the horticultural cut flower and root stock industries. They supply a nursery market domestically, but they are also increasingly supplying an overseas market.

We want to see these industries grow and flourish, so they need to be consulted directly, and I ask the government to do so in that process. I also ask that when the regulatory impact statement is prepared by the department, it makes sure it takes into account the economic impact on those specific industries when it reports back to the Scrutiny of Acts and Regulations Committee and the subcommittee that deals with the regulations, and that those economic impacts are quantified and discussed at length with those particular industry groupings.

The VFF can obviously assist with this, because most of the groups that I have mentioned have representation within the VFF structure. Some do not, so I believe it is important for the government to be assiduous in this. For those who are not represented by the VFF and who might be looking at other forms of primary production — such as broadacre rather than intensive — perhaps the government needs to go and make direct contact with people in those industries and ensure that their regulatory concerns are taken into account.

With that I will conclude my contribution. We wish the bill a speedy passage. We believe it acts in the interests of Australia's security and as part of a Council of Australian Governments national approach. The opposition supports the bill.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

Sitting suspended 6.28 p.m. until 8.03 p.m.

PRIMARY INDUSTRIES LEGISLATION (FURTHER MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 7 October; motion of Hon. T. C. THEOPHANOUS (Minister for Energy Industries).

Hon. PHILIP DAVIS (Gippsland) — On the Primary Industries Legislation (Further Miscellaneous Amendments) Bill I thought I would make some miscellaneous comments to begin with. Primary industry does remain the engine room of Australia's and Victoria's economy. Especially important are farming, forestry, fisheries, minerals and petroleum. Although Victoria makes up only 3 per cent of Australia's landmass, with only half of that being farmed, by value we have the third-largest production — that is, agricultural industry contributes 22 per cent of the gross value of production in Australia.

Thirty-seven thousand farmers in Victoria produce $15 billion of food and fibre. The industries that comprise the primary industry basket are incredibly important on a region-by-region basis, with a diverse agricultural mix and land use according to land type and rainfall. For the information of the house I will summarise some key indicators of that economic contribution to Victoria and particularly to regional areas.

The gross value of agricultural production in Victoria, as distinct from the food and fibre process sector, is estimated to be $7.6 billion for the years 2002 and 2003. In 2002, food and fibre exports for this state were valued at approximately $7.6 billion. The dairy sector is a particularly important industry, with Victoria currently being home to 59 per cent of all Australian dairy farmers, representing about 64 per cent of national milk production. The dairy herd population of

Victoria is approximately 1.3 million head, with 6248 dairy farms operating in Victoria. Some 16 600 Victorians are directly employed in the dairy industry on farm and directly associated with the farming activity. During the 2002–03 financial year, Victorian dairy exports were worth $2.1 billion, and domestic sales were worth $3.3 billion. It is useful to note that dairy products are the single largest industry sector exports from the port of Melbourne.

Victoria is currently home to 16 per cent of Australia's cattle herd, with more than 30 000 properties carrying a total of 4.2 million head of cattle. The total value of Victorian beef production is approximately $1.2 billion. Victoria is also home to 20 per cent of the Australian sheep flock, with approximately 13 000 Victorian properties carrying sheep. Victoria produces 20 per cent of Australia's wool clip, with exports valued at over $1.3 billion, and Victorian sheep producers are also responsible for 39 per cent of lamb production and 27 per cent of mutton. The total value of Victorian sheep meat and wool production is approximately $2.2 billion.

There are approximately 500 goat producers with an estimated goat population of over 80 000 in Victoria. The goat industry is valued at $19 million, which includes meat, dairy and fibre production. I know the Honourable Graeme Stoney has a keen interest in goats.

Hon. E. G. Stoney — Feral goats!

Hon. PHILIP DAVIS — Particularly feral goats at the present time. The horticultural sector is particularly important, with 8500 horticultural enterprises operating within Victoria which are responsible for 37 per cent of total national production. The total value of vegetable, fruit and nut, and grape production in Victoria is $542.5 million, $426.6 million and $332.9 million respectively. Honey production is worth more than $8 million to the economy. Victorian horticulturists currently employ approximately 50 000 people full time and up to 100 000 during the busier harvest periods. The total value of the Victorian horticulture sector is approximately $1.3 billion.

The grain sector is also an important contributor to the health of regional economies, with Victoria currently being home to 6000 grain growers, representing 13 per cent of the total Australian grain growing businesses. The total value of grain and oilseed production is approximately $960 million.

The chicken meat sector is very significant as well. There are 210 chicken meat farms in Victoria, which in 2003 produced almost 120 million birds. The total value of Victorian production is at $900 million annually, with the employment of over 4800 people. The pig industry is another important contributor. Victoria is the fourth largest pig meat producing state, comprising 19 per cent of the total pig farms in Australia. Victoria currently has approximately 430 herds containing over 64 000 sows. The economic value of the Victorian pig industry during 2003 was estimated to be $573 million, with over 7760 jobs being generated.

Victoria is home to approximately 400 traditional flower producers, which are predominantly based in the Yarra Ranges and the Mornington Peninsula. Victorian flower producers are responsible for 40 per cent of the national traditional cut flower production. This equates to produce worth approximately $150 million each year.

In the egg sector, Victoria is currently home to 3.2 million egg-producing chickens, which represent approximately 28 per cent of the national flock. Egg production is estimated to be around 46 million dozen eggs a year and accounts for 25 per cent of the national production. The value of egg production in Victoria during 2002–03 was $70 million.

Given that this Primary Industries Legislation (Further Miscellaneous Amendments) Bill deals with significant fisheries issues it might be useful to give a broad context for fisheries in Victoria. The total value of the fisheries sector in 2001–02 was $117 million, including aquaculture valued at $20 million. It employs about 8000 people across the industry value chain with a direct 2000 jobs. All these primary industries contribute significantly to the economic health, wealth and welfare of our large regional communities. Without their being properly managed, in the context of facilitating optimal productivity, of course we would be much poorer.

The legislation deals with 13 separate acts. In summary, the bill strengthens the enforcement powers under the Fisheries Act and tightens documentation requirements under the national docketing system. This is to deal specifically with organised crime, particularly in the abalone sector. It provides for the establishment of a statewide register of dangerous and menacing dogs and dogs that have been declared to be restricted dogs under the Domestic (Feral and Nuisance Animals) Act and also provides for mandatory reporting for owners in the municipalities in which they are located.

The bill also amends the Dairy Act 2000 to provide for changes to the way licence fees are paid and the method and timing of licence fee collection. It also provides for liens over horses in respect of which agistment fees are

owed under the Impounding of Livestock Act and sets out a procedure for dealing in effect with abandoned horses. I note that the bill does not replace any contractual arrangement entered into on commercial agistments. The legislation amends the Livestock Disease Control Act to provide for the refund of duty paid by interstate producers of sheep. It also introduces changes to inspectors' powers in relation to the Prevention of Cruelty to Animals Act. It makes other minor amendments to other acts, including the Agricultural and Veterinary Chemicals (Control of Use) Act, the Mineral Resources Development Act 1990, the Animals Legislation (Animal Welfare) Act, the Confiscation Act and the Crimes (Controlled Operations) Act. It also repeals the Barley Marketing Act 1993 as a spent act.

Having summarised what the bill sets out to achieve, I make just a few key points. During the briefing on the bill I was advised by representatives of the department that comprehensive consultation had been undertaken. They were gracious enough to provide me with a list of all the stakeholders with whom the government had consulted in preparation of the bill. I noted that Seafood Industry Victoria was not mentioned, and that was confirmed when I contacted the chief executive officer of SIV, Ross McGowan, who advised me that he became aware of the bill only as a consequence of representations to SIV for advice about the industry view from members of both the Liberal and National parties. Candidly, I find that surprising.

The amendments to the Fisheries Act, which are significant in terms of dealing with the arrangements for the national docketing system, are matters relevant in particular to the seafood industry peak body. In the briefing I was provided with a brochure for information. I am pleased to acknowledge the advice given by the department and the brochure left by the department. I note that the docket has on it 'From boat to buyer'. I would have thought that the people who operate the boats, being the fishermen represented by Seafood Industry Victoria, should have been shown the proper courtesy of having had some contact with the department before the legislation was introduced. I find it quite bizarre, really, that they were not.

In any event, SIV, having reviewed the legislation, did not convey any particular concern about the bill. That is not really the point. One of the major issues we must deal with in our legislative process is ensuring that members of all the groups in the community that are directly impacted upon by the legislation that comes before us have the opportunity to make certain that there are no unintended or adverse consequences that may, in the case of peak bodies, affect their members or stakeholders. It is a matter of simple courtesy, and I hope it will not occur again that significant changes are not referred to a peak body.

The details of the bill are set out in summary in the minister's second-reading speech. I do not propose this evening to waste the time of the house by going through them in detail. I am not sure which minister will be at the table for the committee stage, but I advise the Minister for Aged Care that there will be a committee stage on this bill and that I will seek clarification on a number of matters then.

Mr Gavin Jennings interjected.

Hon. PHILIP DAVIS — Therefore I will not spend the time in the second-reading debate going to those points in particular.

Mr Gavin Jennings interjected.

Hon. PHILIP DAVIS — He is probably down in South Gippsland dealing with the announcement the federal minister has made today on that issue. In any event, we will talk about that at another time.

I have had some concern expressed by local councils and the Victorian Farmers Federation about one particular aspect of the bill, which I hope the minister will deal with in summing up before we get to the committee stage — that is, the justification for changing the age of registration for dogs, particularly farm dogs. As is put quite well by the West Wimmera Shire Council and the VFF, often it is not possible to know at three months whether a dog will be a suitable working dog. Requiring them to be registered at that very young age may be an unnecessary burden, whereas registration at six months is satisfactory for most farmers who register dogs because they can determine by six months whether the pup is likely to be a useful working dog. There will be an impact on the farming community. We would not want to discourage farmers from registering their dogs according to law, but obviously if an unreasonable imposition is placed on them to register a number of pups which they might not have in their possession for very long if they do not turn out to be satisfactory working dogs, they might find it is easier not to observe the law — and as members of Parliament we would not want to encourage that all.

Mr Gavin Jennings — This could be gruesome when we go into committee.

Hon. PHILIP DAVIS — It could be, but I am sure most farmers find a very good home for pups that do not turn into good working dogs.

I have also had representations from the Doberman Club of Victoria, whose members are particularly concerned about the impact of provisions changing powers of entry to investigate the potential impact of animals not being afforded proper handling and in this case for cruelty. I will come to that. I note it as a significant issue being raised by not just the Doberman Club of Victoria but also the Victorian Farmers Federation, which has expressed concern about the powers of entry provisions in the bill.

All the other matters I wish to allude to can be dealt with in the committee stage. Suffice it to say at this point that the opposition is not opposed to the bill but has a number of concerns about the operation of some clauses, and I intend to speak to them in some detail.

Before concluding my second-reading contribution, I want to refer to one particular matter which I am sure will be clarified by the minister. I refer to the changes to licensing under the Dairy Act regarding Dairy Foods Safety Victoria. Last year in this place I raised for the attention of the Minister for Agriculture the representations I had received from dairy farmers who were not pleased to be advised by Dairy Food Safety Victoria that they would have without any option a demand put upon them in relation to a new payment system for their licence fees. By that I am talking about a point of transaction deduction or levy on milk production at the factory.

I know that the United Dairyfarmers of Victoria have supported this change. It is the also the case, however, that some individuals — as is their right — have objected to anybody interfering unilaterally in their transactions. As we in this place would generally agree, we would not want individuals arbitrarily imposing on the cash flow we might receive from our employer in exactly that way. For there to be an intervention by a government statutory authority, in this case without any consultation, authorisation or approval from individuals, was offensive to some.

I raised this matter of some seriousness with the Minister for Agriculture in the other place, and I asked specifically on 2 December 2003:

> Will the Minister for Agriculture ensure that there are alternative payment arrangements for dairy farmers in relation to the dairy industry licence for this and future years?

The minister was kind enough to respond to my inquiry. He wrote back on 15 December, and I note how prompt he was and thank him for doing that. He said, and I quote:

> I am advised that farmers who elect not to participate in the monthly deduction system will be able to continue with the existing single upfront payment method. However, as this is more costly, an additional administration fee will apply.

Subsequently Dairy Food Safety Victoria advised that a $50 administration fee would be charged in addition to the licence fee to those farmers who elected to pay an annual fee rather than having it automatically deducted at point of sale. Of course, not surprisingly there were farmers who objected to that. However, I note that this bill acknowledges that that new payment system was unlawful. This bill retrospectively tries to validate the imposition of a new licensing arrangement on dairy farmers in this state which was imposed in a way that meant that individuals who objected to it were required to pay an additional administration fee.

I put it on notice that I will be looking for advice from the minister when he arrives in the house to contribute to this debate on important legislation for primary industries about whether the administration fee was collected. If it has not subsequently been reimbursed, will it be? Why is it that nearly a year on we are dealing with the remedying of this fiasco of a licence fee being collected by a statutory authority. The opposition raised concern about it at the time, and the minister insisted on bullying farmers into accepting it regardless of whether they thought it was fair or otherwise. In any event I confirm that the opposition will not delay the passage of the legislation. However, we have issues that we wish to pursue in committee.

Hon. B. W. BISHOP (North Western) — I rise tonight to speak on behalf of The Nationals on this Primary Industries Legislation (Further Miscellaneous Amendment) Bill. Our position is not to oppose this bill, but we share similar concerns with the Liberal Party on the actions that may well flow from some of these amended clauses. We will be watching, listening and taking part with much interest in the committee stage of this bill. It is quite an interesting omnibus bill. It is a grab bag that has a look at 13 acts. When you look through it, you realise there are five acts on which it will have a major impact.

I am not going to attempt to identify all the issues, but I hope to touch on some as I go through my contribution to this big and busy bill. I also do not intend to give the background to the industries that my colleague the Honourable Philip Davis gave. Certainly the Fisheries Act gets a good run in this piece of legislation. There are some quite substantial changes in the fisheries area, and they include automatic forfeiture of the product if people conspire or attempt to commit offences against the Fisheries Act.

That is triggered if the export value of the products is in excess of $50 000 or more. The bill also touches on the

fact that if people conspire, incite or attempt to commit offences against the Fisheries Act, their activities invoke the enforcement, seizure and forfeiture systems of that particular act. We also noted that if money laundering occurs, the same provisions from the fisheries offences area apply.

We were interested in the improvement of the national docketing process, and it should be an improvement. It should provide a clear audit trail in that industry, particularly in the high-value product areas, which include abalone. It should help reduce the illegal trade in some of those areas. As we heard from the Honourable Philip Davis, seafood is a big industry. It is a good domestic and export money earner. It always appears to me to be rather a complex industry. I suppose one of the reasons is that most of the seafood industry action is a fair way from my office in Mildura. When these bills come before us, we rely very much on the fishermen — and I suppose one should say fisherpeople in today's terminology — and we rely on the Victorian Farmers Federation.

In this case we rely particularly on the Australian Seafood Industry Council, which keeps a very close watch on this industry and is a very good representative of the industry. We are a bit disappointed — in fact we are substantially disappointed — that our information indicates that the seafood industry council was not consulted on this particular bill. I have a bit of difficulty understanding that. I hope it is simply a mistake and does not happen in the future, because if this government is going to be transparent and accountable, as it takes great pains to point out it is, these issues should not occur again.

There is a fair amount of regulation in the fishing industry, and I suppose that is for the industry to judge itself. It is in the best position to do that and to work out the level required. We in The Nationals exercise some caution in relation to the regulations that flow from bills such as this. I think a good example is the bill we debated in this house not all that long ago which established PrimeSafe and regulating parts of the industry. It turned into an absolute lead weight particularly around the necks of Victorian yabby farmers. If it is not addressed, it will substantially affect the viability of yabby farmers throughout this state, because they will be priced out of existence.

When we are briefed in this Parliament we put a fair amount of trust in the practical processes of regulation put to us. We believe that it got out of hand with the PrimeSafe issue. We believe we were sold a pup on that particular issue, and we pointed out our concerns in good faith during the debate. We did not oppose that bill because, in good faith, we thought there needed to be a structure around that sector of the industry. Perhaps party members might need to change their minds from the point of view of being that easy and adopting a cooperative process on bills. Perhaps we should simply vote against them if we are concerned that all these regulatory issues are not totally nailed down when we debate the bills.

The bill also addresses the Domestic (Feral and Nuisance) Animals Act of 1994, and it provides a central register for dangerous, restricted and menacing dog breeds. This does not seem too bad an idea. It has a practical application. As we see it, the reason for this amendment is that people register their dogs with municipalities, and if they move, they must re-register. It is understandable that it would be pretty hard to track where a dog has gone if its owners move from one municipality to another or even from one side of the state to the other. Certainly a central register would help that situation. A concern we have about this is that we need to guard against the increased costs that may apply to our municipalities. Again it comes back to this issue of trust. At the end of the day you are never quite sure of what these bills will run out at.

I will resist the temptation to talk about farm dogs, as the Honourable Graeme Stoney and I often did in this place when dogs were mentioned. I hark back to the times years ago when we discussed animals and the enormous contribution that was inevitably made in this place by the Honourable Dick de Fegely. He certainly had a way of working through these complex issues with a number of organisations which was of great value to the Parliament.

I notice we have also dragged back the cat and dog registration age from six months to three months. We question that. It is fair enough to have registration, but we note that the second-reading speech says it will assist owners to find lost pets and reunite lost pets with their owners. I think that is a fairly long bow to draw in relation to this action. I know the issues in country Victoria are in relation to working dogs. You would certainly know much more about a dog's capacity at six months than at three months, and that will make it quite difficult, we would suggest, for dog breeders. You could say it seems like another grab for taxes and a bit more money — you get it earlier and you might get more of it.

The bill also looks at the Dairy Act. It tidies up some issues with Dairy Food Safety Victoria in relation to deductions and levies from milk cheques. I understand it puts a couple of options up. One is that you can deduct from the cheque and the other is you can pay

quarterly or even annually. I understand there are some deductions in the system now. I think it is from Dairy Australia and from Animal Health Australia. I have also been advised that the Victorian Farmers Federation and the United Dairy Farmers of Victoria have taken their systems out of the deduction list. There appears to be some confusion in the industry in relation to the deductions. If there is any doubt, I guess the best way is to simply get an invoice, pay by cheque and then you have a proper paper trail and a degree of certainty. But that is up to the industry to work out. I suspect the best way to do it is to put some flexibility and options in, which we understand this bill does. We might have a better look at it in the committee stage as well.

It seems a good move in the bill for anyone who has a food safety plan in another part of their business to get an exemption from the dairy food safety levy. We see this as a step forward. We see it as simplifying the red tape that is increasingly smothering primary industry and small business in Victoria. We do not believe it will generate a reduction in food safety. It will certainly see a reduction in costs and a reduction in paperwork, which is a good thing provided it works out well at the end of the day.

Interestingly enough, we deal with the Impounding of Livestock Act as well. We found this again an interesting issue. We understand it is only involved with horse agistment — that is, if a land-holder takes a horse on agistment and the owner is tardy or simply will not pay, the land-holder must notify and advertise that they have a right to sell or destroy the horse. We note this only applies to horses, and we certainly would not want it to extend to other areas. We are a bit uncertain about this one, but again we will have to see how it works in the real life and day of the real world.

The Livestock Disease Control Act 1994 gets a run as well. We have a process in place where we collect money from the animal — say, sheep carcasses — and pay that into a compensation fund that was set up some time ago. That is all very well — it provides a fund of money for particular areas — but for those of us who live and work along the border areas — say, along the New South Wales border — some of those producers were getting a double whammy and paying a levy to the Rural Lands Protection Board, which is a slightly different process than what we have in Victoria.

As I understand it, that is on a hectare basis rather than on a per animal carcass basis. I am sure those producers in New South Wales and, say, South Australia will be delighted that that is cleaned up in this bill. Quite a number of sheep from interstate come into the yards at Swan Hill or Yelta. The bill will certainly tidy up that area, which is a good thing.

The bill touches on scientific experiments and cruelty to animals. It also touches on an interesting area that I have had come across my desk. If someone puts on a rodeo — it might be an agricultural show in one of the rural areas of Victoria — it is quite often the show secretary who gets the permit for the rodeo. They have little or no control over how the rodeo works or what happens during the whole process. This bill ensures that the permit and therefore, the responsibility, rests with the person who supplies and manages the welfare of the animals in the rodeo situation.

The bill also toughens up regulations for the labelling and selling of meal products. Some might say that that is a fairly minor process, but we do not believe that. We believe it is a major process, and it would certainly add to the protection of our cattle industry in Victoria and Australia. When you look overseas particularly at the huge influence that bovine spongiform encephalopathy — BSE — has in, for example, the UK and Japan and in today's world the issue of clean, green food and the strong perception that clean, green food be squeaky clean, it is absolutely crucial in a marketing sense of our products out of Victoria and, indeed, Australia.

That leads me to something that I must mention. The Asia fruit southern hemisphere congress was held at the Crown Promenade Hotel in September this year. A number of producers from Sunraysia attended the congress, and they thought it was a great program. Top presenters spoke on a number of issues, and some of the presenters came from international areas. They spoke about marketing in Asia, Europe and in the northern hemisphere, of course, over which we get some advantage by having opposite seasons, and rightly so.

The Department of Primary Industries (DIP) was a presenter at that congress. It had a session on consumers, and a September 2004 newsletter that was gathered up by the people from Sunraysia who attended the congress carried the banner Food Partnerships in Asia. The main article was headed 'Beyond price and quality' and states:

> A major DPI study of customer preferences in 21 key markets for Victorian food products has established that price, quality and food safety are the most important attributes that consumers want to see in food products.
>
> The study's findings will help Victorian agribusinesses and the state government to finetune Victoria's positioning in international markets.

> One of the first of its type and scope in Australia, the market analysis study, looked at commercial and consumer interest in the clean, green, kind, safe and ethical attributes of food products ...
>
> The study consisted of a comprehensive survey of relevant reports from around the world and 280 1-hour interviews conducted by DPI staff between February and June 2004.
>
> The interviews took place in Japan, China, Hong Kong, Australia, United Kingdom, Thailand, United Arab Emirates, New Zealand, Netherlands, France, Germany, Belgium, Taiwan, Philippines, Malaysia, Indonesia, Canada, USA, Korea, India and Singapore. Interviewees included food retailers, importers and government representatives.

Indeed, it was a comprehensive, good study. It continues:

> Overall, the interviewees believed that consumers are more concerned about factors that affect them directly, such as food safety.

Further, under the subheading entitled 'Food safety' it states:

> In terms of its importance to both interviewees and consumers, food safety received the highest ranking of the credence attributes considered. Ninety-five per cent of respondents said it was of high or very high importance to their organisation.

Under the subheading 'Clean food' it states:

> Clean food was rated the second most important credence attribute. Ninety per cent of respondents said it was of high or very high importance to them ...
>
> Two-thirds of respondents said that physical and biological contaminants and chemical residues were of high or very high importance to consumers. One UK respondent said, 'Consumers want no residues and can't deal with safety statements associated with minimum residue levels'.

An interesting set of words. I read it with a fair bit of interest and thought it was good stuff. The DPI is supporting our industries.

The question I ask of the house tonight is this: where does that sit with the Bracks government's proposal to put a toxic waste dump right in the middle of a food bowl of Sunraysia? Where does it sit?

Hon. Philip Davis interjected.

Hon. B. W. BISHOP — Not very well, says Mr Davis. I would suggest to the house tonight that the government is hypocritical to the absolute degree. On the one hand, we have the DPI expending a lot of resources — and we support that — to increase the marketing opportunities for our growers in Victoria and Australia; the DPI is doing a good job with market promotion and market studies.

On the other hand, the Bracks government is hell bent on putting a toxic waste dump in Hattah–Nowingi, Mildura–Sunraysia area, in the middle of the food bowl of Sunraysia, right next to the Hattah-Kulkyne National Park. Just over the road is the Murray-Sunset National Park, and the RAMSAR wetland sites, which international and domestic tourists visit and enjoy, are in the Hattah-Kulkyne National Park.

What is worse, those market signals will overturn all the good work that has been done by the Department of Primary Industries. It is about perception and fact. Our growers are world class, which we all know, and we support them in their endeavours. They have quality assurance programs which are second to none. They are innovative growers, packers, processors and transporters. I congratulate the Department of Primary Industries because it is doing a good job in that market promotion area, but for what? Because this government ignores all that and places a toxic waste dump in the middle of a food bowl.

Hon. J. G. Hilton — On a point of order, Acting President, Mr Bishop has spent the last 5 minutes talking about a toxic waste dump. I do not believe it is relevant to this bill.

Hon. B. W. BISHOP — On the point of order, Acting President, I am the lead speaker for The Nationals on this issue. The bill addresses food safety and food cleanliness. I believe I have every right to raise this position in speaking on an omnibus bill, a large part of which relates to food safety.

Hon. Philip Davis — On the point of order, Acting President, this miscellaneous amendments bill deals with 13 separate acts — the broad sweep of all the acts under which agriculture is regulated. It is clear from the comments made in the introduction to the debate by the opposition that it is a very significant industry bill affecting a wide range of issues in agriculture. Quite clearly food safety and market access issues are relevant to the acts under which we are seeking to propose amendments. If the uninformed government members want to have a look at the bill, they will find it specifically sets out to deal with food safety issues, chemical safety standards and the application of changes to regulations in the prevention of disease in livestock.

The ACTING PRESIDENT (Ms Hadden) — Order! It is a wide-ranging bill, and I do not uphold the point of order.

Hon. B. W. BISHOP — I was delighted by the point of order, because it gives me an opportunity to

further profile the issue I was debating. I was at the end of my contribution to the debate, but this gives me an opportunity to say a little more about it. It is obvious from the interest shown by government members that what we are saying is hurting. They are getting a bit of a touch-up on this issue. It is obvious they do not understand it, because they have never been in a position where market products have gone out of this country into other areas, which I must say I understand. Government members will use anything in the marketing sense.

The Bracks government has given them that opportunity on a plate by proposing to put a toxic waste dump in the middle of the food bowl that generates over $2 billion worth of production. I suggest they pull out now. Why damage the issues the Department of Primary Industries worked on so hard in this state? Why not pull out now and save government resources and community resources and head somewhere else? We have given the government plenty of options as well. I thank government members for their interjections, because they have given me a further opportunity to canvass that issue.

I now turn to fees. It is obvious that the bill locks any fees imposed upon it by the Bracks government into bracket creep all the time. It will certainly push up the cost of production. There are some good parts in the bill, which I will come to now, particularly miners rights. My colleague the Honourable Bill Baxter raised this in a question to the Minister for Energy Resources. It was apparent that miners rights were being issued by agents, and legal concerns were raised about that process. We understand this bill tidies that up, and we also understand licences issued by agents will be renewed as new licences at no cost to those miners. We strongly support that part of the bill.

This large omnibus bill repeals the Barley Marketing Act. It was a sad day in Parliament and one of the worst things the government has done when it rode roughshod over Victorian grain growers in an arrogant and vindictive manner to terminate the export marketing powers of the barley industry. The lead players in that were the Treasurer of the day and the Independent member for Mildura, who rode roughshod over the growers.

The Victorian Farmers Federation employed the Victorian Electoral Commission to conduct a poll to find out exactly what Victorian growers thought about that process. There was a huge return rate of 65 per cent, and guess what: 85 per cent of those surveyed wanted to retain the single desk. Why? Because it gave barley growers a better deal. It gave them collective bargaining power in a corrupt export market. If there are comments from my left, it will again show that government members do not understand the process. It is the only way we have ever been able to maintain the best return for our products on the export market. As I said, the government, supported by the Independents, decided it knew best and terminated the export marketing system for barley in Victoria.

That was a sad day in the house. It was also a sad day when, during the debate, the characters of some good people in the grain industry were assassinated by people who did not understand the industry. People stood up for their rights in the public arena and got an absolute belting. How have other people responded? A news release of 5 October states:

> SA Premier, Mike Rann, will fight to save the single desk for barley marketing following meetings with the SA Farmers Federation president John Lush and CEO Carol Vincent.

What a change from the South Australian Labor government to the Victorian Labor government that terminated the single desk for barley. We have already seen the drop in prices and quality control. That was all predicted but ignored by the government and the Independents when they rammed it through the Victorian Parliament. The bill to save the export desk was introduced in this place and dealt with finally in the other place, where it was defeated. The deregulation of the export market was a sad day for the Victorian grain industry.

In conclusion, this bill is a grab bag of amendments — some good and some not so good. The Nationals will observe with great interest the effect of the operational side of the bill as it meets the test in everyday life.

Hon. J. G. HILTON (Western Port) — I am pleased to make a brief contribution to the Primary Industries Legislation (Further Miscellaneous Amendments) Bill. This is what is known as an omnibus bill that makes a number of changes to, I believe, 13 acts. Given the 15 minutes I am allowed for my contribution, if I spend time talking about each one I would have less than 60 seconds per act. Consequently I only intend to speak on one of the acts — that is, the Domestic (Feral and Nuisance) Animals Act.

Under the current legislation cat and dog owners are required to register their pets with the local council when their pets are six months old. Pet shops are allowed to sell pets from the age of eight weeks. There is an obvious hiatus of four months, which means that cats and dogs are not registered in that period. Obviously the consequence is that if the animals stray

or if a new owner decides to abandon their animal because they do not like the idea of keeping it as a pet for whatever reason, it is difficult to identify the owner if the cat or dog is subsequently found.

This bill reduces the compulsory registration period to three months, which will encourage new owners of animals to register their dogs or cats as soon as they have been acquired, still enabling pet shop owners a reasonable time to sell the animals. It is also anticipated that reducing the period from six months to three months will encourage new owners of animals to have them desexed or microchipped immediately on acquisition, because normally there are reduced registration fees when animals have had that procedure done.

The next consequence of the bill concerns the declaration that a dog is dangerous or menacing and the applicability of that declaration throughout the state. Municipal councils have the discretion to declare a dog as menacing or dangerous based on its previous behaviour. However, the Domestic (Feral and Nuisance) Animals Act 1994, which this bill amends, provides that a council may declare a dog dangerous or menacing if it has been previously declared to be such an animal by another municipal council.

I was somewhat surprised to learn that some councils have interpreted the declaration that a dog is dangerous or menacing to apply only to the council that makes the declaration. Some councils have argued that they should have discretion as to whether a dog in their municipality is declared menacing or dangerous irrespective of declarations made in other municipalities. I would have thought commonsense would say if a dog is menacing or dangerous in one municipality, it would be menacing or dangerous in another.

This bill will amend the Domestic (Feral and Nuisance) Animals Act to make it absolutely clear that a declaration that a dog is menacing or dangerous in one municipality has an effect across all councils and cannot be revoked by any other council. The bill will also ensure that councils may declare a dog to be dangerous or menacing if a similar declaration has been made in another territory or state jurisdiction.

The bill also deals with restricted breed dogs, which are those breeds whose importation into Australia is prohibited. At present owners of restricted breed dogs are required to notify the municipal council with which their dog is registered that it is a restricted breed dog at the time of registration. This declaration, which also applies to dangerous and menacing dogs, will only be recorded by the municipal council in whose jurisdiction the dog is registered. Obviously it is going to be very difficult for other municipal councils to determine whether a dog, which is now within their municipality, has been previously registered as dangerous, menacing or is a restricted breed.

In a very commonsense measure this bill allows for a Victoria-wide register which will detail all restricted breeds as well as dangerous and menacing dogs, which will enable all municipalities to determine the status of a dog in a single phone call. In order to ensure that this registry operates effectively there will be some mandatory reporting requirements for owners of menacing, dangerous and restricted breeds. All municipal councils will be required to forward to the central registry all information on the dogs of which they have been notified.

In relation to this issue, the honourable member for Mornington in the other place made some very interesting points about the responsibility that dog owners have to their pets. In all our electorates we have had incidents of dangerous dogs unfortunately attacking children or adults, and numerous reports of dogs attacking other animals, including cats and smaller dogs, which is obviously very distressing for all those concerned, particularly the owners of the animals that have been attacked. The member for Mornington said that as part of the registration of their dogs all owners should be required to enrol themselves and their dogs in obedience training courses. That would ensure that a dog would have undergone an appropriate obedience training course before it could be registered. I believe there is a lot of merit in that suggestion because if they have at least gone through a training program and learnt the basic commands of ‘sit’, ‘heel’ and ‘stay’, maybe there would be a reduction in their propensity to attack people or other animals.

I know it could be considered to be drawing somewhat of a long bow to say that we have to undertake driving lessons before we can drive a car, and to equate that with dogs undergoing obedience training programs, but I believe it is fair and reasonable that if we own an animal, we should take some responsibility for it and its behaviour. I would certainly support the member for Mornington’s suggestion that such a scheme should be investigated.

As I said at the beginning, this is a large bill which covers some 13 different acts. I am sure other members will discuss those aspects in some detail. It is always pleasing to support a bill which is supported by members of the opposition and The Nationals, which is the case with this bill. It is the sort of bill that comes

along occasionally to tidy up various acts which have been on the statute book for a while. I believe it is a very appropriate bill, and I am pleased to support it.

Hon. J. A. VOGELS (Western) — I am pleased to speak on the Primary Industries Legislation (Further Miscellaneous Amendments) Bill which is an omnibus bill that amends some 13 or 14 pieces of legislation; I did not add them up, but there are probably at least that many. Like everybody else, I am only going to deal with a few of the amendments because I could not get through the lot, and I am sure other speakers will deal with many of the amendments.

Part 2 toughens up the enforcement procedures which can be taken against poachers of especially abalone and rock lobster. Our fishing industry across Victoria has been decimated since the election of the Bracks government.

The marine parks started the ball rolling. Everybody agreed we could have marine parks, but the government did not consult properly with the fishermen and basically drove them out of the industry. I can tell you now that some of the marine parks will be a mecca for poachers, because we know that poaching has cost the abalone and rock lobster industries millions of dollars already — —

Mr Smith interjected.

Hon. J. A. VOGELS — We will get an extra two rangers, or something like that, to try to police these marine parks, so they will be having a ball while the real hardworking fishermen will be driven out.

Secondly, the government's fees and charges are spiralling out of control. This government is about control, regulation and fees. They are its main issues in life. Thirdly, the fishing industries have had to comply with the increased number of regulations, including those for food handling and licensing by PrimeSafe. PrimeSafe needs to explain how it was able to provide community food safety in the red meat and poultry industries, which have a combined turnover of $3.8 billion, for $1.1 million a year when it takes half that — that is, $550 000 — to manage the seafood industry which is valued at $120 million. That just does not stack up. An estimated $200 000 in fees is being extracted from our rock lobster and abalone industries alone, 90 per cent of which are under Australian Quarantine Inspection Services control.

Yabby farmers have basically been driven out of the industry by PrimeSafe even though they sell live animals which, right through to their processing, pose no risk, so I cannot see the justification for their being involved with PrimeSafe.

Clause 23 amends the Domestic (Feral and Nuisance) Animals Act by reducing the age at which all dogs and cats need to be registered from six months to three months. Many years ago I was a registered member of the former Kennel Control Council of Victoria and was of the belief that you should never sell pups under the age of eight weeks — that was an absolute no-no — and they should be preferably at least three months old before you even think about taking them off the dam and selling them.

Under this legislation the government is going to get two fees. It will force breeders to register pups before they are three months old; and once they are sold, the new owner will have to register them again. So there is double dipping — a taxpayer rip-off. One fee is paid by the breeder and another is paid by the new owner. If you breed dogs and you get a litter of pups — and dogs can have up to 12 pups — you might be able to sell one or two, if you are lucky, at the age of three months — —

Mr Smith — What do you do with the rest?

Hon. J. A. VOGELS — You are stuck with the rest, and you will have to register them. If you live in one of those areas where the local council says you are not allowed to have more than two or three registered dogs or cats on your premises, you are caught between a rock and a hard place — you have to register them, but the council says you are not allowed to have them. Once again, this stupid government is bringing in regulations and controls it does not even understand.

As has been mentioned by a few other members already, the owner who breeds kelpie dogs on his farm cannot know when a dog is three months old whether or not it is going to be a good farm dog. Breeders will have to register them, because farm dogs have to be at least six months old before the owner can have any idea about whether they are worth selling as cattle or sheep dogs. So, once again it is double dipping.

The bill also deals with the Dairy Industry Act and the right of Dairy Food Safety Victoria to deduct levies out of a dairy farmer's milk cheque. As the Leader of The Nationals mentioned before, many farmers objected to the levies being automatically deducted from their milk cheques, so the government has now belatedly given dairy farmers the option of paying quarterly or yearly levies. I would like to know — because it is not explained in the amendments — whether they will still have to pay the $50 administration fee which was

slapped on them. I will be asking that question during the committee stage of the bill, because knowing how the Bracks government works, I am sure they will be paying the $50 on top of the new fees. There is no doubt about that at all, but I hope we will find out the truth about that when the minister is summing up the debate or in the committee stage later.

The bill also amends the Agricultural and Veterinary Chemicals (Control of Use) Act, which introduces more rigid regulations for the labelling and selling of meal products of animal origin. This is extremely important, because it is believed that feeding meals of animal origin to animals can cause bovine spongiform encephalopathy (BSE), or mad cow disease. Just one suspect cow in Australia could be devastating for the integrity of our cattle industry.

Recently I was in Canada with the member for Macedon in the other house, and it was interesting to learn that once one cow in Canada was detected as having BSE, all cattle over 18 months of age were destroyed. The cows were basically worthless. It is very important that we stay clean and green, and this is a good regulation for the control of meal products of animal origin.

On the chemical provisions of the bill, farmers are being slugged higher and higher permit fees to allow them to do the same jobs they have been doing forever. If you are a farmer and you need to use a chemical, you have to do a chemical users course, which makes sense.

Mr Smith interjected.

Hon. J. A. VOGELS — I am not whingeing about that; I do not have a problem with that. You have to go away somewhere for two days to get your chemical users bit of paper, and it costs you $160. But what happens then? The government steps in and says, 'Now we want another $38 for you to obtain the permit'. Even though you have passed the course and have a certificate to hang on the wall which states that you can use the chemicals, you still have to pay another $38 to this government for a permit to use the chemicals. This government, as with all Labor governments, is socialist first, Labor second, Victorians third and Australians last — and it loves control, regulation and ripping in taxes, fees and charges.

Hon. R. G. MITCHELL (Central Highlands) — I rise to speak on the Primary Industries Legislation (Further Miscellaneous Amendments) Bill. It is an omnibus bill which makes amendments to many acts, including the Fisheries Act 1995, the Domestic (Feral and Nuisance) Animals Act 1994, the Dairy Act 2000, the Impounding of Livestock Act 1994, the Livestock Disease Control Act 1994, the Prevention of Cruelty to Animals Act 1986 and other acts. All of these amendments relate directly to the agriculture and resources portfolios.

The amendments to the Fisheries Act will strengthen enforcement powers under the Fisheries Act of 1995. The Bracks government, which is committed to the sustainability of the fishing industry and the long-term employment of those in the legal industry of fishing, has set in place provisions which ensure that those caught offending against the Fisheries Act will invoke the Fisheries Act enforcement seizure and forfeiture procedures. We recognise that those who participate in the legal fishing industries are entitled to a secure future, and we are delivering that with these amendments.

The bill will also establish a central register for dangerous, restricted breed and menacing dogs. The Bracks government has enabled councils to find out whether a dog, which is considered dangerous or menacing, has either changed locality or even ownership. Under the present system if a council has declared that a particular dog is considered menacing, dangerous or of a restricted breed, only that particular council needs to record that detail and only that council needs to record the declaration. So if an owner of a dog which is considered to be dangerous or menacing decides to move the dog to another municipality, the new council has no way of knowing that it now has a menace in the council unless it contacts each and every council around the state of Victoria individually. This is time consuming and in the meantime could put the health and wellbeing of the new council's constituents at risk. The new amendments in this bill will introduce new mandatory reporting requirements for owners of dogs recognised as being dangerous, menacing and of restricted breeds. The owner will be required to report the dog's location, and municipal councils will be required to forward this information to a central register.

An honourable member — I will give you $5 if you can do it without your notes.

Hon. R. G. MITCHELL — I will give you $5 if you can do it sober. This will ensure that all councils are always aware of any new dog inclusions to their municipality and it can also ensure that a current up-to-date — —

Honourable members interjecting.

The ACTING PRESIDENT (Ms Hadden) — Order! I ask Mr Atkinson to resume his place.

Honourable members interjecting.

Hon. R. G. MITCHELL — What was I up to? It can also ensure that a current up-to-date registry is kept of these animals and their owners. This also benefits the collection statistics of these restricted breeds of dogs.

I wish to speak on the amendments which relate to the agistment of horses and the collection of outstanding debts owed to the agistment owner. This is an area that concerns me because presently in parts of my electorate agistment space for horses is at a premium, and in a lot of the built-up areas there is no room to have them so people do not have horses on their properties.

Hon. Bill Forwood — What is the name of your horse?

Hon. R. G. MITCHELL — I will get to that. So the chance of keeping one's pet horse on one's own land is not always possible. My daughter Rachael's horse, Ace, is agisted, as I do not have the land to keep it at home. I am grateful that we were able to secure a block of land, and in doing so I believe I have the responsibility to make sure that I stick to my agreement and pay the agistment that was agreed to between the two parties. Problems arise when people who put an animal out for agistment do not pay. They may leave a horse on another person's land and not pay for that privilege. A sensible landowner who has a heart would still look after the animal to ensure its welfare and wellbeing. However, when the agistment holder finds himself out of pocket with food and other expenses and the animal's owner does not commit to their part of the deal, this becomes a big problem.

Under this bill's amendments the landowner or leaseholder is able to apply a lien over that animal in the event that agistment costs are not paid. This will allow the service of a default notice on the owner and allow the agistment provider to recover from the proceeds of the sale of a horse up to three months of costs prior to and up to two months of costs after the serving of the default notice. If the sale of the horse does not realise the full amount of the moneys owing, the agistment holder may then sue the horse's owner for any outstanding amounts.

Hon. J. A. Vogels — What about donkeys?

Hon. R. G. MITCHELL — I do not know if Mr Vogels gets agisted! It is also an offence for an owner to remove a horse from a property, when there is a lien over the horse, without the consent of the holder of the lien. This is a fairer and better balanced system which will ensure that land-holders with the premium space to agist horses are not left as a holding yard for inconsiderate horse owners.

There is another provision in the bill which is important to all Victorians wherever they may live. This is an amendment to the Agricultural and Veterinary Chemicals (Control of Use) Act 1992 to place on a more permanent footing the ban on animals being fed food of animal origin. This is about preventing the spread of mad cow disease, which fortunately Victoria and Australia have not suffered with. The disease has caused extreme grief throughout the UK and Europe. It would be fair to say that the majority of people in Australia would consider it appropriate to feed animals bred for food a diet that contains only food of vegetable matter. If people sat down and thought their beef, sheep or pork was fed pieces of other animals to supplement their protein requirements they would certainly steer away from those meats, and that would be disastrous for our farming communities.

Victorian farmers have been fortunate enough to survive drought and hard times and most have been able to source feed, whether it be through the generosity of other communities or other farmers or just good management. It has enabled them not to have to use animal remnants in their feed, unlike farmers in Europe and the UK. This permanent ban gives our community security in the knowledge that no animal products are used in the meat we consume and that any feed which has animal remnants will be clearly labelled. I commend the minister for this bill, and I commend the bill to the house.

Hon. W. A. LOVELL (North Eastern) — I rise to speak on the Primary Industries Legislation (Further Miscellaneous Amendments) Bill. As many members have said, this omnibus bill proposes changes to 13 separate acts of Parliament. The Liberal Party does not oppose the bill. Primary industry is very important to my region. The region that I represent is known as the food bowl of Australia, and the dairy industry is particularly important in that region. Almost 30 per cent of the nation's milk is produced in the Goulburn Valley. The dairy industry contributes 28 per cent of Victorian food industry turnover and approximately 40 per cent of Victoria's exports.

My region is also the premier fruit growing area in Australia. We produce 90 per cent of the nation's deciduous canned fruit, 90 per cent of the nation's pear crop, 90 per cent of the nation's kiwi fruit crop, 80 per cent of the nation's nashi crop, 45 per cent of the nation's stone fruit crop, and 25 per cent of the nation's

apple crop. The total average crop of fruit is in excess of 250 000 tonnes. We export approximately 16 per cent of our fresh fruit and 55 per cent of our canned fruit production.

Primary industry contributes approximately $1.4 billion at farm gate in my region, but that underpins an $8 billion regional economy. So, as members can see, the importance of primary industry and the spin-offs that we receive from it are very important to the people in north-east Victoria and the Goulburn Valley.

Irrigation is also very important in our region and is the primary reason that we produce so much in the food bowl of Australia. Our aim over the next few years is to produce double the production off half the land, and in order to do that we need to continue to have access to reliable irrigation water.

The government's white paper, and in particular the 80-20 sales water proposal, has caused much anger and concern in the irrigation district. The 80-20 deal was done without any socioeconomic impact study being undertaken to see the effect it would have on our region. I suggest that the government should provide funding for investment in on-farm efficiencies — and by funding I mean not $5 million like it said it will provide, but more in the range of $50 million to $100 million to allow farmers to adjust to be more productive with less water. There should also be a moratorium on water being traded out of the region, and I would suggest a moratorium of at least two years to allow for the impact of this policy to be assessed.

Dairy licence fees have caused a lot of concern in the last 12 to 18 months in my region. I had many complaints from dairy farmers who had just discovered that their dairy licence fees had been deducted from the cheques they received from their processors. The dairy farmers felt that their cheques were theirs and theirs alone to spend how they wished. Deducting that amount from their cheques impacted on their cash flow and affected the way they wanted to run their businesses. The dairy farmers felt they should have a choice of method of payment — for example, the opportunity to pay on invoice. Eventually the authority allowed the farmers to pay on invoice, but when the farmers exercised that option they found they had been charged a $50 administration fee. It is not exactly clear what this bill does to address that situation, but we hope farmers who choose to pay annually or by instalment on invoice will not be charged a $50 administration fee, which is a totally unreasonable amount.

This bill also establishes a statewide register of dangerous and menacing dogs and provides for dogs to be registered at three months of age rather than six months. It is believed this will encourage the desexing of more dogs, but there are many problems with registering dogs at three months. Dogs may still be with the breeder and could be sold into another region. This could result in dogs being registered in two local government areas. Three months is a little early to be requiring people to register their dogs. At that stage what the future use of the dog may be, whether it will be a working dog or a breeding animal, is also unclear, so it is far too early for people to be making decisions about desexing their dogs.

The bill does not address the major dog problem that faces primary producers in north-eastern Victoria and Gippsland — that is, the wild dog population. Wild dogs on public land are venturing onto private land. Wild dogs are capable of tearing a sheep apart, and they do so regularly. It is only a matter of time before wild dogs attack human beings. I would suggest that, if the government is serious about supporting primary producers, it should address the wild dog problem in north-eastern Victoria and Gippsland.

Hon. J. M. McQUILTEN (Ballarat) — I was not going to talk on this bill tonight, although I support it in its entirety, but I have to respond to a couple of the comments that were made. One was made by the Honourable Barry Bishop on a very delicate and important matter, and the other was made by the Honourable John Vogels, who misled us again on a topic about which he ought to know better. I think I am a friend of John's, but he spoke about the lack of consultation with the fishing and abalone industries in Victoria over the formation of the marine national parks.

Hon. J. A. Vogels — I live down there.

Hon. J. M. McQUILTEN — I went down to Mallacoota and spent two days with a couple of fishermen called Paul Welsby and Joe Peel. They took me around the abalone fishing fields of that area on their boat. They explained to me the issues and problems with the government's proposed marine national parks of that time. I went across the border with them and spoke to some fishermen in New South Wales. We were about 2 metres from the Victorian border and they were catching something like 20 kilograms an hour, and just across the border in Victoria, because of our good management and our abalone fishermen's good management, we were catching 100 kilograms an hour. That taught me a lot.

I looked at the distances between the areas of abalone. I remember going around an island where you could not

see the proposed national park. That was their point. They said, 'If you take us out of this area you will not be able to see the people from New South Wales coming in and stealing Victoria's abalone from the national park'. I believe that piece of fishing territory is called the Iron Lady. I brought that information back to Melbourne and spoke to the minister and the minister's chief of staff, and consequently that piece of legislation on marine national parks was changed, clearly at the behest of the abalone fishermen of Mallacoota. So for Mr Vogels to say tonight that we were not consulting is total rubbish and misleading. I have just told him a personal experience.

Hon. J. A. Vogels — I did not go to Mallacoota.

Hon. J. M. McQUILTEN — Obviously you didn't, because you would have found out that I had been there before you!

Now I would like to speak to the Honourable Barry Bishop about what he was discussing. Nowingi is a very important issue, and I have my own personal concerns. In fact the whole debate has been a personal concern for anyone in regional Victoria. What I would like to say and what I would like the house to know is that I went up to Nowingi. I have been around the site and have had meetings with the council. It is obviously not in my electorate, but because of Pittong and these other places and other issues, I thought I should go and have a look. I am going to tell the house honestly what I thought. I thought it was the perfect site when I first saw it.

Honourable members interjecting.

Hon. J. M. McQUILTEN — Let me finish! Let me finish!

Honourable members interjecting.

Hon. J. M. McQUILTEN — It has two problems. One is how far it is from Melbourne. I did not fly there; I drove there. It is a long way from Melbourne, and that is a major problem. Another major problem is that people do not realise what the map shows about where the River Murray is. It is not very far away from that site. People do not understand that the River Murray and the highway go up in a curve. If that site were closer to Melbourne and a long way from the Murray, it would be perfect. But there is a problem because of its close proximity to the Murray River and how far it is from Melbourne. I suspect that the distance may well be overcome with logistics, but nothing will change the fact that it is close to the Murray River. I think everyone in this house has a belief in and wants to save the Murray, so that needs to be considered in our environment effects statement (EES). That is what I have been saying to anyone who is listening: we have to be very careful with the EES on this site.

Hon. DAVID KOCH (Western) — I am pleased to make a contribution to the debate on the Primary Industries Legislation (Further Miscellaneous Amendments) Bill. Along with all those on this side of the house, I accept that primary industries make a great contribution to our Victorian economy, especially to our exports. Few other industries contribute to a greater degree.

As has been mentioned earlier, this is an omnibus bill. It amends a large number of pieces of legislation. To my count there are 14, but I will concur with my colleagues that there are 13. Briefly, part 2 makes a number of changes to the Fisheries Act. That has been well addressed this evening. Those amendments relate heavily to our abalone and crayfish resources, which are both valuable and very tempting to those who want to become involved in them. The amendments will give some surety to people who have licences that they will be able to maintain their businesses in a viable manner.

Part 3 amends the Domestic (Feral and Nuisance Animals) Act, to which I will refer a bit later. Part 4 amends the Dairy Act. As was mentioned earlier, our dairy producers pay licence fees. If they are not paid by direct deduction but on an invoice, they pick up an administration fee of $50. Obviously that is of grave concern to our dairy producers, who not only make a great contribution to Victoria but, as all members know, contribute the greatest quantity to exports from Port Phillip Bay.

Part 5 makes changes to the Impounding of Livestock Act, which I will also touch on as we go through. Part 6 makes changes to the Livestock Disease Control Act. A couple of principal areas are addressed, none more important than those relating to feed stuffs, especially where animal material is used in the production of feed stuffs used in our lot feeding process, especially in our beef, lamb and mutton industries. Part 7 amends the Prevention of Cruelty to Animals Act. Part 8, as members are aware, makes amendments to another seven acts, broadly covering other important agricultural pursuits. Again they have been addressed substantially this evening by my colleagues.

For the purpose of tonight's discussion I will be touching on two or three of the amendments, particularly those being made to the Domestic (Feral and Nuisance) Animals Act 1994, which refers to both cats and dogs. A central registry will be required for dangerous and menacing dogs and restricted dog

breeds. This is not only legitimate and commonsense but overdue, because historically this matter has raised grave concerns, especially for local government. Although there is an acceptance that dogs and cats shall be registered, I assure members that for various reasons many cats and dogs are not registered. In particular it is important that there be a central registry for menacing dogs and restricted dog breeds. Not only will that protect the animals, but it will protect their owners.

Currently there is no way of tracking menacing dogs and restricted dog breeds, especially when the animals move from one municipality to another, whether it is by relocation of their owners or by being sold to other people. As we have seen in the past, if such a registry is not in place a huge cost is imposed on local government in trying to access and maintain information on where the animals are. There is absolutely no doubt that if menacing dogs and restricted dog breeds are unattended they become problem dogs and create major concern not only in the regional farming communities but also in metropolitan areas. Parents of children are concerned because regrettably on odd occasions such animals unintentionally maul children or put their safety at risk in some other way.

The bill reduces the age for registration of cats and dogs from six to three months. That presents some concerns. Currently we are flat out getting people to register cats and dogs at six months. As came out at our government briefing, many cats and dogs change hands at 8 to 12 weeks. Reducing the age for registration from six months to three months will not result in a greater registration of animals in that age bracket.

On the subject of working dogs rather than pets, my own experience definitely indicates that it is not possible to pick dogs of greater potential at three months, and that should be recognised. Historically those looking for working dogs probably want to take on a dog at three to eight months rather than three to six months. People who have had experience in training dogs, as I have, want to know their agility, their bark potential and whether they have an eye capacity for working livestock, as well as other things. Those things certainly do not come out in that early puppy stage at three to four months.

It is important that people who want to exercise their right to train dogs for working have that opportunity. The working life of those dogs is not three to five years; most of them have a capacity to work right through from an early age — probably from 12 months, when their training to assist the farming community is completed — through to 10 or 12 years of age. They are great assets. In many cases working dogs are a far bigger advantage than having another employee on your farm. I assure members that my working dogs were marvellous. Employees always have the opportunity to chop you down or answer you back, but a dog is a very valued part of the farm. They never refute what you say, they are only too keen to work — —

Ms Carbines — They do not join unions!

Hon. DAVID KOCH — They do not join unions. They would be no good in Parliament; they would not put up with the nonsense. They just love to do the job at hand. That is something that certainly should be taken into account. The minister probably should revisit the legislation and consider the registration age. People will not register dogs at that early age. As we heard earlier this evening, there is a doubling up. It is a cash grab by the government of the day. In many cases the bill will take out of the system a lot of dogs that would otherwise offer a great opportunity.

I think something which has been completely missed in these amendments is whether the dogs and the cats or their owners should be registered. We should remember that cats make a contribution in our community because they make very good pets, but we have major concerns with them in the metropolitan areas — certainly Victoria's urban areas — where cats look after the bird population to a far greater degree than we would like. Cats, unlike dogs, are not usually housed in the evening and not only cause havoc with our bird and environmental population but they certainly cause some concern with rubbish disposal in our tip sites, so I am not quite sure that cats are any different from our dog population if they are not trained to some degree.

I believe dogs that are well trained, looked after and constrained will respect our communities far more. It is the dogs and cats that people have given up on or lost control of which become nuisances, and regrettably registration of any kind is not going to control that problem.

In relation to the amendments to the domestic animals legislation, I totally support the central register, but as I mentioned earlier I would far prefer to have had the registration period remain at up to six months so as to curtail many of the costs we are unfortunately confronted with.

The amendments to the Prevention of Cruelty to Animals Act 1986 principally remove responsibility from event organisers or operators of rodeo events. Usually these are service clubs or the owners of horses and bulls used on the day. Currently liability rests with

those seeking the licence, and in most cases this appears to be our honorary presidents and secretaries of the many service clubs who are unwittingly accepting responsibility for cruelty issues not of their own making. These are sensible amendments, and they rightly put the onus of care on the owner of the livestock, not on the innocent third party.

The bill also sees the introduction of part-time inspectors to manage procedures under this legislation. The Victorian Farmers Federation has made its concerns about part-time inspectors quite clear and has raised its concerns with the shadow Minister for Agriculture, the Honourable Phillip Davis. The VFF is of the opinion that this provision is not in the best interests of this legislation, and there is a definite need for dedicated full-time inspectors to fill this role as part-time inspectors do not have the training and experience to fulfil the required needs. This should be resolved earlier rather than later so no untoward outcomes are encountered.

I will close my contribution by commenting on an amendment to the Impounding of Livestock Act 1994. This amendment picks up on those who intentionally or otherwise do not settle the costs of horse agistment. This can come about for various reasons: kids lose interest in their ponies; horses are unable to be moved onto further agistment, or the ownership changes unbeknown to that person who is providing the agistment. It allows the property owner to recover any of their outstanding costs by either sale or disposal of the animals. A process has been put in place to accommodate this recovery.

Horse owners, if they are known, are to be notified of the intended removal or the removal is to be publicly advertised in instances where ownership cannot be determined. This is not a huge issue, but the amendment makes it far better than the animals being turned loose without the operator having any means of recovery. Some concerns raised in the other place were about unscrupulous persons whose costs have not been met and who may use this mechanism to secure valuable livestock. I am not suggesting it is impossible for this to happen, but it would only happen once. I am sure people with valuable livestock would not leave their property in the hands of other people who did not pay the agistment costs of this bloodstock and who would try to transfer those animals for their own gain.

With those small contributions in relation to the 14 amendments, I openly suggest that the Liberal Party does not oppose the amendments in the bill before the house.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — Firstly I thank the significant number of honourable members who contributed to this debate. I will not go through them all tonight. Before we go into committee, which at this stage is probably wise to do tomorrow, perhaps I could comment in relation to some aspects that have been raised with me in relation to this bill.

An issue was raised about consultation with the seafood industry of Victoria. What I would say, quite frankly, is that I think this was an oversight. If that consultation has not occurred, then it would be an oversight. I will endeavour to check overnight whether and how much consultation took place.

Hon. Philip Davis — I have an email that says none.

Hon. T. C. THEOPHANOUS — That may well be the case, and if it is the case it would be an oversight and one we should attempt to rectify. I would be happy to make further comments in relation to it tomorrow during the committee stage of the bill.

The other question which was asked had to do with the dairy industry administration fee, or the fee that is being charged. I do not want to go into any great detail in relation to this. It is something that is covered by clauses 37 to 43 of the bill. I understand honourable members want to discuss those clauses in some detail tomorrow. I could go through and seek to make comments on those aspects of the legislation in relation to each and every one of those clauses, but I am inclined to leave the debate until tomorrow.

I have been invited by the Leader of the Opposition in this place, Mr Philip Davis, to come back with a considered opinion in relation to all these clauses. Given the lateness of the hour, President, I suggest that I simply leave these issues until tomorrow and come back and consider them in the committee stage; and I will attempt overnight to consider the issues raised by the opposition leader. I understand he raised three issues. But I understand also from other members that there are some other issues people want to raise in relation to the miners rights. Those are directly in my portfolio area of responsibility, so I would be happy to answer those questions. Mr Davis would be aware that I also provided responses to questions in relation to — —

Hon. Philip Davis — I have no issues with that.

Hon. B. W. Bishop interjected.

Hon. T. C. THEOPHANOUS — I think there may be other members of the house who will have some questions in relation to it, and I will be happy to answer them tomorrow. Having thanked honourable members for their contributions to the second-reading debate, I propose that the house adjourn.

Motion agreed to.

Read second time.

Ordered to be committed next day.

LIMITATION OF ACTIONS (ADVERSE POSSESSION) BILL

Introduction and first reading

Received from Assembly.

Read first time for Ms BROAD (Minister for Local Government) on motion of Hon. T. C. Theophanous.

ADJOURNMENT

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I move:

That the house do now adjourn.

Shepparton: greyhound racing venue

Hon. DAVID KOCH (Western) — My matter is for the Minister for Racing in the other place and concerns the relocation of greyhound racing from the Shepparton showgrounds to the Kialla Paceway. Like many racegoers and those in the Greater Shepparton city community I had been under the impression that the redevelopment of Kialla Paceway would see greyhound racing within the harness racing track at a cost of no greater than $1.5 million. However, it has now become clear that $5 million will be spent to undertake a complete duplication of amenities located just a mere 25 metres from the existing harness racing venue. Surely this duplication is a blatant example of wastage at the cost of winners' stakes. This type of thinking is no longer affordable for the long-term benefit of the industry. As the racing minister will be aware, this fiasco has already been brought to the attention of the greyhound racing community on more than one occasion through the media, and it is ongoing.

The relocation of greyhound racing from the Shepparton showgrounds to the Kialla Paceway is supported by the Greater Shepparton City Council due to the commercial redevelopment at the showgrounds. Regrettably, administrators of both racing industry statutory bodies, who for some reason are unable to reach agreement on using this venue as a joint facility, have brought a blot on both the greyhound and harness racing industries.

The response of Greyhound Racing Victoria in July stated that complex negotiations regarding the relocation of greyhound racing to Kialla have taken place over recent months and, as noted, on Thursday, 5 February 2004, agreement was reached between all concerned parties regarding the relocation. Come the end of September 2004, not a sod has been turned at Kialla and greyhound racing owners, trainers and patrons have been left with little option but to race at the Lords Raceway, Bendigo, for a minimum of 6 months, which could be more like 12 months. This is a major disappointment to those involved in greyhound racing and reveals a further administrative blunder.

As Greyhound Racing Victoria nominated the end of November as its exit from the Shepparton showgrounds, surely a feasibility study and all planning would have been completed. Yet nothing has happened after acknowledging negotiations were finalised in February 2004.

It has become obvious that until the minister intervenes in these short-sighted strategies greyhound racing owners and trainers will be denied greater returns. Will the Minister for Racing assure the greyhound racing fraternity that its peak body, Greyhound Racing Victoria, is in fact answerable for its short-sighted actions in delaying the relocation of greyhound racing to Kialla Paceway?

Legislative Council: sitting hours

Hon. J. G. HILTON (Western Port) — This adjournment matter is directed to you, President. I understand that in the other place the Speaker is undertaking a review of sitting hours, but I also understand that any recommendations she may make would not automatically have applicability to this house. So I ask, President, that you also institute a similar investigation, and I would like to briefly indicate my reasons.

Last week we had a debate on the dangerous driving bill, which created a new offence of driving while fatigued. We have mentioned previously that this house can sometimes go to quite late hours, and even if it is only until 11 or 12 o'clock, we probably have been here on occasions for 12 to 14 hours debating issues. On that basis it is unlikely that we would be competent to drive

home, which I am sure most or several of us would have to do. I believe we should be setting an example to the community rather than making legislation which we expect other people to adhere to but not ourselves.

I have done some back-of-the-envelope calculations and worked out that if we started at 9:30 a.m. and finished at 5.00 p.m. on four days — Monday, Tuesday, Wednesday and Thursday — we would in fact have more sitting hours than if we sat for the traditional hours on Tuesday, Wednesday and Thursday — that is obviously taking into account dinner breaks. I also make the observation that sometimes the quality of debate, or at least the quality of the attention given to debates, can fall off quite alarmingly after the dinner break. If we were working more business-like hours I am sure that would not happen.

So my question to you, President, is if you would consider the possibility of conducting an investigation into sitting hours to make them more family friendly and in accordance with community expectations.

Yarra: waste collection

Hon. J. A. VOGELS (Western) — I raise a matter for the Minister for Local Government, Ms Candy Broad, and it concerns changes that Yarra City Council intends to introduce for garbage collection. Normally I would raise these concerns with Yarra City Council myself. However, having tried on numerous occasions to form a dialogue with the council and having failed, I thought perhaps the minister may have more success. Due to the Bracks government's legislation to enforce the no-lift policy for garbage collection, the Yarra City Council has decided to take this opportunity to stop collecting bins on various laneways.

If you live in a row of terrace houses in Wilson Street, Carlton North, this action has a major impact for you. Previously two garbage bins — one recyclable and one household garbage — were collected from the laneway at the rear with no problems. By changing the service to the front of the houses, we have huge problems. These include the fact that residents cannot leave bins sitting on the footpath all week; they will have to drag the garbage bins through perhaps carpeted floors in their homes when collection day occurs. Alternatively, they could drag the bins down the lane, around the corner, then back up to the front of each terrace house. It is especially difficult for the frail and elderly. Wilson Street allows car parking along its length, so how will garbage trucks reach across parked cars to collect bins placed on the footpath? Some of the terrace houses in Wilson Street have dual occupancy with no front access to Wilson Street at all; the only access is from the laneway at the rear. No doubt there are many other examples of residents in the City of Yarra faced with the same problem.

The action I seek is for the minister to take up the concerns of these residents with Yarra City Council. I am led to believe that 31 October is the date this new collection regime will start, so swift action is needed to sort out this mess.

Consumer affairs: disadvantaged consumers

Hon. KAYE DARVENIZA (Melbourne West) — I wish to raise a matter for the attention of the Minister for Consumer Affairs, Mr John Lenders. The matter I raise concerns the issue of access to consumer protection services for vulnerable consumers whose first language is not English. I am particularly concerned about information regarding tenancy issues being available to culturally and linguistically diverse, or CALD, communities. I refer to issues such as rent increases, repairs, abandoned premises and abandoned goods.

Over 20 per cent of Victorians are renters, and the majority of people who arrive as migrants or refugees in Victoria each year live in private rental accommodation. Most of the members in this chamber would be aware how difficult it is to communicate when you are in countries where the main language spoken is not English. New arrivals to this country — and many come from some of the most traumatic and difficult of circumstances — can find it particularly difficult to understand the laws that govern renting a property. It is difficult for them to know exactly what these laws and rights entail if the information is not available in their own language. It is extremely important that both renters and landlords know their rights and to whom they are able to turn particularly when things go wrong.

I ask the minister what action he and his department are taking to ensure that communities where English is not the first language know about and are able to access consumer protection services as well as printed material in their own languages. These are particularly vulnerable consumers who need to be both protected and empowered regarding tenancy and related issues.

Alzheimer's disease: research

Hon. ANDREA COOTE (Monash) — My question is to the Minister for Education and Training in another place. Alzheimer's is a serious and debilitating disease that impacts not only on the

individuals concerned but their families, carers, neighbours and friends. Alzheimer's Victoria is headed up by Dr Lynette Moore here in Victoria. Her entire staff and all the volunteers involved with Alzheimer's are to be applauded.

The federal government has been very supportive of and has given significant funding to Alzheimer's sufferers. The federal Minister for Ageing, Julie Bishop, recently launched a DVD program which will be a valuable aid to dementia care workers, family members and carers of people with dementia.

Recently Alzheimer's Week was launched by Julie Bishop at Leonda. I attended this event. The guest speaker was an eminent US professor who is an expert in this field, Professor Zaven Khachaturian. The professor has worked with a select group of people — and it is an Australian committee — developing a vision for dementia research here in Australia. I would like to put on the record some of the findings they have made, because Alzheimer's is something we are going to have to deal with in this country in a very short space of time. It is going to be a significant problem. The foreword of the paper *Dementia Research — A Vision for Australia* by Robert Yeoh, the president of Alzheimer's Australia, states:

> We need ways to prevent or delay the onset of dementia and hence to reduce the number of people affected by dementia, the duration of the illness and thus the human and economic cost of care.

The paper further states:

> Why commit to prevention now?
>
> Dementia has the potential to become an enormous public health problem in Australia.
>
> Interventions delaying the average onset of dementia even modestly would have a major positive public health impact.
>
> Current projections are that by 2020 and 2040 there will be, respectively, 270 000 and 500 000 people with dementia in Australia.
>
> The financial costs of dementia are already significant. Access Economics estimates that the cost in 2004 of dementia is $6.1 billion including $3.56 billion in direct health care costs.

If they can prevent the onset of dementia or it can be delayed by five months, significant savings can be achieved all round. Training programs are also imperative. I ask the minister what she is going to do about training.

Housing: affordability

Hon. S. M. NGUYEN (Melbourne West) — I raise a matter tonight for the Minister for Housing. As the state government we are committed to providing affordable housing for Victorians. Recently the minister announced new funding to support the strategy for growth in housing for low-income Victorians. The commonwealth government has failed to give housing funding to low-income earners. In the last decade commonwealth funding for affordable housing has declined by more than $760 million in real terms, which is equivalent to 5000 homes.

The Bracks government is working with the private sector to make sure we can create affordable housing for tenants. I ask the Minister for Housing to advise on the opportunities for people who live in Melbourne West Province in terms of the package the minister announced recently.

Planning: Wheelers Hill development

Hon. ANDREW BRIDESON (Waverley) — I wish to raise an issue tonight for the Minister for Planning in the other place regarding a proposal by Austcorp Group Ltd to build a nine-storey residential development on the corner of Ferntree Gully Road and Jells Road. I formally request that the minister call in this project. On 11 August 2004, Monash council refused to grant a permit. On 15 September this year the City of Monash wrote to Minister Delahunty requesting that the matter be called in pursuant to clause 58, schedule 1 of the Victorian Civil and Administrative Tribunal Act of 1988.

Many residents have also written to the minister requesting that she call in the proposal. Over 1200 expressions of objection have been lodged, and to date I must add that no response has been received from the minister. The main objections to the development include the fact that the proposal is inconsistent with the objectives of Melbourne 2030. The proposal is also inconsistent with and unsympathetic to both the existing and proposed neighbourhood character of what is essentially a residential area as defined by the local planning authority.

Nine storeys in the middle of a residential area should never be allowed to occur. Almost 30 metres of high-rise tower, perched on the summit of historic Wheelers Hill, only metres from the Heritage Hotel and the Harry Seidler gallery and sculpture park does not only have local visual impact, it will have a negative impact on a vast area of Melbourne.

There is no public transport of any significance near this site that would address the needs of the 111 apartments and 5 townhouses which Austcorp wants to build there. It is not in a neighbourhood activity centre. There has been no consultation with any of the thousands of concerned residents who will be significantly affected by this monolithic construction. Concern has also been voiced by VicRoads regarding proposed changes to the major carriageway of Ferntree Gully Road.

As I said, no response has been made by the minister either to the legitimate planning authority or to the thousands of concerned residents of Wheelers Hill. The Premier and the minister to date have abdicated their formal responsibility for control of planning policy in the state of Victoria. Again I request the Minister for Planning to call in this proposal.

Rathdowne Street, North Carlton: traffic control

Hon. W. R. BAXTER (North Eastern) — The matter I wish to draw to the attention of the Minister for Transport in another place goes to the issue of the City of Yarra proposing to prohibit in certain hours of the day right-hand turns from Rathdowne Street, North Carlton, into Davis Street.

I acknowledge that under the Local Government Act, the Road Management Act and the Road Safety Act councils have certain powers to manage local roads, but on this occasion I think it is regrettable that the City of Yarra has taken this decision, because Rathdowne Street is a major thoroughfare. It is not a local road, it is a main road under the jurisdiction of VicRoads. I would think that restricting right-hand turns off that road is not in the interests of traffic management overall.

The municipality is taking this action after a survey of local residents which came out 53 per cent in favour and 47 per cent against this restriction being imposed. I am prepared to acknowledge that if the result had been at a ratio of, say, 70:30 perhaps this restriction would be justified, but it seems to me that a result of 53:47 should have demanded that the status quo be maintained. Roads are there to enable ratepayers to gain access to their properties, and many of the streets in this vicinity are already barricaded off to through traffic in any event. The municipality should not be reacting to the demands of certain property owners who have bought properties in Davis Street, perhaps at a lesser price because it carries a volume of traffic, and then start complaining that cars go past their front door.

It would be unfortunate if the City of Yarra proceeded along this path without some input from VicRoads. I ask the minister if he would have VicRoads liaise with the council with a view to preventing this restriction from going ahead. I understand from communications I have received from the municipality that the signs are going to go up this very week. I call upon the council to delay it at least until there are some discussions with VicRoads.

Prisons: sexual offender program

Hon. RICHARD DALLA-RIVA (East Yarra) — My query for the adjournment debate is for the Minister for Corrections in the other place. With an ever-increasing prison population and more offenders being sentenced to terms of imprisonment with non-parole periods incorporated in their sentences, the Adult Parole Board is interviewing a greater number of prisoners for release. Since 1998–99 the board has considered 4534 matters, which represents a 40 per cent increase over the period. The appropriate release of prisoners has raised concerns that insufficient resources have been made available to fund appropriate sexual offender programs at the Wimmera treatment unit at Ararat prison and the annexe at Langi Kal Kal Prison.

Throughout the last financial year the board continued to raise fears that a significant number of prisoners reached their eligibility for parole without having commenced a sexual offender program in prison or having been assessed as suitable to undertake a program while on parole. This has left the board in the unenviable position of being required to decide whether particular prisoners should undertake programs in prison. For the minister's assistance the chairperson's concerns are referenced at page 5 of the board's 2002–03 annual report under 'Sexual offender programs'.

As I said, the issue has left the board in the position of having to decide whether prisoners should undertake a program with the result that very little time was left for providing adequate supervision outside prison or, alternatively, whether to release prisoners on parole and arrange for programs to be provided to them while they are on parole.

With parole being a privilege and not a right, my query is: what action will the minister take with Corrections Victoria to ensure that there is provision to enable sexual offender programs to be made available to all prisoners who are committed to prison for sexual offences prior to their release?

Water: Sunraysia irrigators

Hon. B. W. BISHOP (North Western) — I raise with the Minister for Water in another place a great opportunity that has arisen due to the commonwealth government's decision to fund water initiatives from national competition resources. The Bracks government has developed the trick of blaming the commonwealth for everything, with the latest effort by the spin doctors being an attack on the commonwealth because it has decided to fund water initiatives from those resources post-2005–06, when the present national competition agreement expires. 'Foul!' cried the Bracks government, which had been siphoning off the national competition funds into consolidated revenue and got sprung.

The Bracks government should take a positive leadership approach to the commonwealth initiative and face up to its responsibilities to our irrigators by requesting the commonwealth to jointly fund renewal of our ageing irrigation infrastructure. And it is ageing. In many cases it is not efficient and simply generates high maintenance costs. I am told in Robinvale these could be 40 per cent of the cost of water, so it is time to get moving.

We do not have to reinvent the wheel, just look at the world-class structures in South Australia that have been rebuilt with a mix of commonwealth, state and irrigator resources. The commonwealth has stated its intention, and now the Bracks government has this perhaps once in a lifetime opportunity to negotiate an arrangement similar to South Australia's 40:40:20 funding at the Council of Australian Governments meeting in September 2005, which is the obvious venue for such an initiative. The water industry is a classic case that should receive national competition funding as it has been forced to move to full cost recovery under the national competition initiatives, and therefore is a worthy recipient of such funding.

The Bracks government trumpeted $20 million for Sunraysia infrastructure upgrades. How much has been allocated? Very little or nothing. So now it is time for the Bracks government to show it can govern for all Victorians. It wants to be innovative and pick up the commonwealth's welcome initiative.

I call on the Minister for Water to commit to the process of a 40:40:20 funding arrangement with the commonwealth and the irrigators to upgrade and/or rebuild Sunraysia's irrigation infrastructure and drive that process to agreement during the September 2005 COAG discussions.

Responses

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — The Honourable David Koch asked me a question for the Minister for Racing in the other place in relation to a greyhound racing track at Kialla and the role of Greyhound Racing Victoria. I will pass that query on to the Minister for Racing for response.

The Honourable John Vogels asked a question for the Minister for Local Government in relation to Yarra City Council and rubbish collection, and I will certainly pass that on to the Minister for Local Government to respond directly.

Ms Darveniza raised an issue for the Minister for Consumer Affairs which had to do with non-English-speaking-background people who are renters and their access to information. This is an important issue for those renters, and I will be happy to pass that query on to the Minister for Consumer Affairs to respond to the member.

Mrs Coote raised an issue for the Minister for Education and Training in the other place about Alzheimer's disease, which, as she said, is a debilitating disease which afflicts many people in our community. She indicated she had heard from Professor Khatchaturian in relation to the issue and passed on some of those comments that the professor had made and is seeking a response from the minister. I will be happy to pass that on to the minister for a direct response to her.

The Honourable Sang Nguyen had a question for the Minister for Housing in relation to portable housing initiatives that have been put up by the minister and what opportunities they might have for his constituents. I will pass that on to the Minister for Housing for a response.

The Honourable Andrew Brideson raised an issue for the Minister for Planning in relation to a nine-storey development by Austcorp at Wheelers Hill. The development is going through a process, and he is asking the Minister for Planning to call it in. I will pass that request on to the Minister for Planning.

The Honourable Bill Baxter raised an issue for the Minister for Transport in the other house with regard to proposed right-hand turn restrictions in Rathdowne Street, North Carlton, which is nowhere near his electorate, but it shows something about his broad interest in all things in the state. I am not sure whether the member likes to go down there for a nice caffelatte because they are better down there than anywhere else,

and that might be his concern. I will certainly be happy to pass on his request to the Minister for Transport.

The Honourable Richard Dalla-Riva asked a question of the Minister for Corrections in the other place about the Adult Parole Board and the processes that are in place in relation to certain types of offenders. I will pass that question on to the Minister for Corrections for a response.

The Honourable Barry Bishop raised a question for the Minister for Water in the other place about a funding formula the minister is promoting, and presumably the federal government is promoting, and raised issues in relation to national competition funds. This is a complex matter and I will be happy to pass his request and comments on to the Minister for Water for direct response.

The PRESIDENT — Order! The Honourable Geoff Hilton raised a matter with me with respect to the sitting hours of the house and a proposal that is occurring in the other place. Before I am prepared to entertain such a similar type of proposal I will speak with the party leaders.

Motion agreed to.

House adjourned 10.24 p.m.