PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

Wednesday, 17 August 2005

(extract from Book 2)

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By authority of the Victorian Government Printer

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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.

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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.

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Outer Suburban/Interface Services and Development Committee — (*Council*): Ms Argondizzo 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, Ms Romanes and Mr Somyurek. (*Assembly*): Ms Campbell, Mr Clark, 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 Honourable Andrew Brideson. (*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

Parliamentary Services — Secretary: Dr S. O'Kane

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FIFTY-FIFTH PARLIAMENT — FIRST SESSION

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Davis, Hon. Philip Rivers	Gippsland	LP	Scheffer, Mr Johan Emiel	Monash	ALP
Drum, Hon. Damian Kevin	North Western	Nats	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	Ind	Theophanous, Hon. Theo Charles	Jika Jika	ALP
Hall, Hon. Peter Ronald	Gippsland	Nats	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	Ind	Vogels, Hon. John Adrian	Western	LP

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WEDNESDAY, 17 AUGUST 2005

Wednesday, 17 August 2005

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

RULINGS BY THE CHAIR

Adjournment debate: admissibility

The PRESIDENT — Order! Last evening during the adjournment debate I indicated that I was not sure whether the Honourable Bill Forwood had met the criteria set down in the ruling I had given to members. Following my assessment and after reading the *Hansard* I rule his adjournment matter out of order.

MELBOURNE COLLEGE OF DIVINITY (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources).

PETITIONS

Police: schools program

Hon. W. A. LOVELL (North Eastern) presented petition from certain citizens of Victoria requesting that the state government reinstate the police schools involvement program to build a secure environment for the children of Victoria (131 signatures).

Laid on table.

Witchcraft and fortune telling: legislation

Hon. P. R. HALL (Gippsland) presented petition from certain citizens of Victoria praying that (1) section 13 of the Vagrancy Act 1966 which currently outlaws witchcraft, sorcery, enchantment and fortune telling be retained; (2) the Legislative Council determine whether or not the repeal of section 13 of the Vagrancy Act 1966 as proposed in the Vagrancy (Repeal) and Summary Offences (Amendment) Bill will have an adverse impact on Victorians; and (3) in the event that section 13 of the Vagrancy Act 1966 is repealed a report of statement be tabled in the Parliament on the impact of such legislation (5 signatures).

Laid on table.

PAPERS

Laid on table by Clerk:

Melbourne City Link Act 1995 —

City Link and Extension Projects Integration and Facilitation Agreement Twelfth Amending Deed, 28 July 2005, pursuant to section 15B(5) of the Act.

Exhibition Street Extension Eighth Amending Deed, 28 July 2005, pursuant to section 15D(6) of the Act.

Melbourne City Link Twentieth Amending Deed, 28 July 2005, pursuant to section 15(2) of the Act.

Statutory Rule under the City of Melbourne Act 2001 — Local Government Act 1989 — No. 98.

MEMBERS STATEMENTS

Longerenong College

Hon. DAVID KOCH (Western) — Last Sunday I attended the Longerenong College open day where prospective students and their families were introduced to the courses available at Longerenong. Visitors were shown the range of agricultural enterprises on Longerenong farm used to provide training in cropping, livestock and natural resource management. The farm is a valuable self-funding resource for skills and management training as well as research. Longerenong has delivered education in agriculture and related subjects since 1889 and intends to continue offering its present courses well into the future.

With the departure of the University of Melbourne three tenders were received. They were from Work Co, the University of Ballarat and an internal staff proposal to manage the college. A decision on which proposal will be successful is due tomorrow. It is surprising that Longerenong was able to conduct its open day without a secure curriculum for next year.

I was encouraged by the commitment of staff in their determination to continue to provide training for apprenticeships, advanced diplomas and the new certificate of applied learning so that students from across Victoria can still be trained in the practical, applied and business skills for which Longerenong has such a strong reputation.

An ongoing commitment from the successful tenderer in providing agricultural education on the Longerenong campus gives justification to principal Gavin Drew's pursuit of delivering high-quality education and skills training.

State Emergency Service: equipment

Hon. J. G. HILTON (Western Port) — Last week I was very pleased to be in attendance when State Emergency Service volunteers from many brigades in Victoria, including Pakenham and Hastings, visited Parliament House to claim their share of approximately $1 million-worth of special protective clothing and equipment. Obviously, high-quality personal protective clothing is an essential part of the SES's occupational health and safety program, and this new equipment will ensure that the SES volunteers, who are so vital to our community, are appropriately equipped.

During the presentations, which were attended by the Premier, one of the speaker's remarked that the Bracks government had restored pride in the SES. As I have said in this house before, volunteers play a vital role in keeping our community safe, and it is obviously essential that they have the support and resources that they need. I am very pleased to be part of a government which recognises the essential role which volunteers play in our society and would like to commend all the SES groups in Western Port Province who do such a wonderful job.

Warragul: shop trading hours

Hon. BILL FORWOOD (Templestowe) — Recently I visited Warragul on business and while I was there I had time to stop at Aperloo's cake shop. On the door of the cake shop there was written:

> This shop is no longer open on Sundays. This decision was made by management due to the new wage award structure. Sorry for any inconvenience.

One of the finest cake shops in Warragul, a tourist precinct, is now closed on Sundays. The only reason it is closed on Sundays is because of the harebrained decision of the Bracks government to bring back — —

Mr Smith interjected.

Hon. BILL FORWOOD — Absolutely! Let me tell you what has happened. The shop is not open on Sundays. Apart from that, the young university students who used to work their are now no longer able to earn the money that they were earning to pay their higher education contribution scheme to see them through. There are three losers here: the workers, the tourists and even the management as well.

Mr Smith interjected.

Hon. BILL FORWOOD — I was not there on a Sunday. I make the point, in looking at the unemployment statistics that came out last week we now discover that Victoria is the only state on the mainland with unemployment above 5 per cent. It has the second-highest rate in Australia, after Tasmania. In all other states unemployment is going down but in Victoria it is going up.

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

Victorian training awards

Ms ROMANES (Melbourne) — On Monday evening I was pleased to join the Minister for Education and Training in the other place, Lynne Kosky, and many other MPs at the Victorian training awards. It was an opportunity to celebrate the individuals, organisations and communities who have made outstanding contributions to Victoria's world-class vocational education and training system, and I congratulate all those finalists and winners of the awards — the students, training providers and employers.

A standout this year was Amber Sarda, a Porsche mechanic who won the award for the outstanding apprentice of the year, thus earning her a $10 000 study fellowship. In her category her three fellow finalists were all women — a hairdresser, a chef and an aeronautical detailer. Another group showcased on the evening were the students from Northern Melbourne Institute of TAFE and the Box Hill Institute of TAFE who entertained us with music and dance, while, with the support of the business In Full Bloom, the students at Box Hill Institute of TAFE provided the floral centrepieces for all the tables.

The Bracks government recognises the critical importance of training to Victoria and is committed to an innovative training system that is able to specialise in key areas and is responsive to needs of existing and emerging industries, in sharp contrast to the Howard government whose neglect of skills training is a national disgrace.

2006 Mountain Cattlemen's Get Together

Hon. E. G. STONEY (Central Highlands) — The *High Country Times* of today runs an article under the headline 'Cattlemen face last round up'. The article states:

> As their future continues to loom uncertainly, the mountain cattlemen have penned the 2006 Mountain Cattlemen's Get Together as potentially their last.
>
> Held each year the get together is a weekend renowned for its hospitality, social activities, horse racing and country music.
>
> …
>
> To be held at Rose River, between Cheshunt and Myrtleford —

next January, the program —

> … will follow a similar line as was seen at Omeo this year with all the traditional events to be run, such as the dog high jump, pack horse race and hay carting. The Cattlemen's Cup will be run as a knockout three phase challenge.

Cattleman Bruce McCormack is reported as saying:

> The chances of there being another get together are looking pretty slim at this stage. If there's no cattlemen left in the high country it seems a bit silly to get together … We're urging everyone to come along in case this does end up being the last event.

The house will remember the government's claim when it passed the bill that '10 000 cattle will be left in the high country and the cattlemen will continue'. At the time the Liberal Party said that was rubbish, and the cattlemen said it was rubbish and that they were finished — and that indeed is the position.

I invite government members to come along to the last Mountain Cattlemen's Get Together — to come along and survey their handiwork. They can explain to the big crowd that will be there why they have destroyed the cattlemen and Australia's living heritage. I bet not one government member will come to the Mountain Cattlemen's Get Together.

Box Hill Institute of TAFE: BioSkills

Hon. H. E. BUCKINGHAM (Koonung) — On Friday, 12 August, I was delighted to join the Minister for Education and Training in the other place at the opening of BioSkills, the new specialist centre for biotechnology training at the Box Hill Institute of TAFE. BioSkills is housed in a new $19.5 million building which contains purpose-built biotechnology facilities and which will provide the biotechnology industry with a one-stop-shop for accessing training and resources. The Box Hill institute has developed the new facility and is offering a new bachelor of biotechnology and innovation degree to provide students and their prospective employers with a combination of science and business skills for the biotechnology industry.

Courses will cover laboratory-based aspects as well as business management, entrepreneurship and innovation. The courses will range from certificate level and workplace-specific training to the new bachelor degree. Box Hill institute is working closely with the biotechnology industry to tailor these courses to specific needs. Box Hill institute will also host the BioSkills Network, a great initiative of this government which links five major Victorian TAFE providers with partners in the biotechnology industry to enhance and expand educational programs that will provide globally relevant technical skills. I congratulate Box Hill institute and all involved with the BioSkills innovative and future-thinking approach to linking training and the biotechnology industry.

Aboriginals: Won Wron rehabilitation centre

Hon. PHILIP DAVIS (Gippsland) — It is not often I am pleased when Parliament adjourns early, but I was last night because it enabled me to attend a public meeting at Yarram that I would not otherwise have been able to attend. The public meeting concerned the new adult indigenous diversion program, which is causing great concern to the Yarram community, particularly to property owners adjacent to the old Won Wron prison site. Concerns are that there will be a lower level of supervision of inmates and that therefore the, if you like, access and egress rights of those inmates will be fairly liberal. The neighbours of the former prison site were relieved when the prison was closed but are now concerned that they will have visited upon them the problem of effectively unsupervised residents of the new diversion program with wide access to the wider community.

While the Minister for Corrections in the other place responded effectively to many questions last night, community concerns remain about guarantees for the protection and safety of the Won Wron and Yarram communities. What is of great concern is that there has been insufficient consultation with the community to date. I call on the Minister for Corrections to reassure the community that all steps — —

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

Industrial relations: federal changes

Mr SMITH (Chelsea) — I wish to express my dismay at the performance of the federal Minister for Employment and Workplace Relations, Mr Kevin Andrews. We now believe the new industrial relations bill, the fair dismissal bill, is going to be presented in October. What this signifies to me is that the federal government is running scared on this issue as well as the Australian Council of Trade Unions' campaign to

expose its philosophical terrorism against workers for what it is. It cannot get it right. The fact that this Prime Minister has spent 20-odd years of his political career dreaming about what he will do to workers in industrial reform, workplace or labour market reforms et cetera, and still after all this time needs more time, sends a message to workers that the ACTU campaign is having a significant impact and effect on the way those opposite are thinking in Canberra.

I will also say it is my humble view that the campaign being waged by the ACTU and being responded to by the Liberals is actually a vehicle that can rebuild and reinvigorate the union movement. I thank the Liberals and The Nationals opposite for their attacks on workers, because they are going to make workers realise just who is fighting for them and who is on their side. Again, I say, in the words of some recent union leaders, 'Bring it on!', because they are going to breathe life into the union movement.

The Nationals: newspaper article

Hon. W. R. BAXTER (North Eastern) — On page 2 of the *Australian Financial Review* of 13–14 August is an article by Peter Ruehl headed 'Mad, bad and dangerous to know'. Amongst other things the author said:

> It also makes you wonder about The Nationals. In this day and age, why do we still have a political party that's ultra-conservative in every way except its socialistic insistence on dunning the rest of the country to prop up services, subsidies and anything else it can extort? All for a constituency of remedial farmers, anticompetition peckerwoods and romantic losers who think the rest of the world should pay them a fortune to milk cows.

It is exactly those sorts of misanthropic, city-centric opinions that caused me to join the Country Party in 1964 and to seek election to this Parliament in 1973. Reading those comments on the weekend absolutely renewed my commitment to continuing the fight on behalf of rural and regional Australia against this sort of city-based journalistic myopia.

Community legal centres: volunteers

Ms MIKAKOS (Jika Jika) — Since coming into office the Bracks government has provided almost $3 million in extra support to help community legal centres perform their valuable work for the most vulnerable members of our community. In addition this year's state budget included an investment of $8.9 million for the Gateways to Civil Justice project which will see the establishment of four new community legal centres in the outer east, outer west and outer south east regions of Melbourne and the Loddon Campaspe area. We all know, however, that community legal centres across Victoria depend on volunteers and more than 2500 hours are donated each week at more than 45 centres throughout Victoria.

Recently I had the opportunity to launch a new training package entitled 'Valuing volunteers' for volunteers at community legal centres. The package was developed by the Peninsula Community Legal Centre in partnership with Chisholm Institute of TAFE and was funded through a grant from the Victoria Law Foundation. It will have statewide application which will enable all volunteers to receive consistent training that is recognised throughout the sector. I congratulate the staff and volunteers of the Peninsula Community Legal Centre, Chisholm Institute of TAFE and the Victoria Law Foundation on developing this package and I take the opportunity to thank the countless, diligent volunteers who make such a significant contribution to the provision of free legal services to our community.

Bendigo Braves

Hon. D. K. DRUM (North Western) — On Saturday night I had the opportunity, along with 2800 other Bendigo and Kilsyth supporters, to go along and watch the Bendigo Braves and the Kilsyth Cobras compete for the South Conference Championships in the South East Australian Basketball League. With 4 minutes to go the Bendigo Braves were four points down, but in a great fighting finish led by Shaw Redhage, who is one of the imports and certainly the most valued player in the league and the grand final, the Bendigo Braves were able to get over the top and record a fantastic victory. It was only a little over 12 months ago that the Bendigo Braves were going through a horror stretch, effectively on the bottom of the ladder and could not win a game. I had the opportunity to talk to the boys at that stage.

I can tell you that the meaning of my message was simply, 'Make sure you enjoy yourselves even though it is difficult'. Twelve months later they have got a brand new team and full credit obviously goes to the coach, Wayne Larkins, and his coaching panel who have put together a team which really is the envy of all the South East Australian Basketball League (SEABL) in the competition. This weekend they go to Geelong to compete in the national championships. As well as congratulating them for winning the grand final last weekend, they also go with best wishes to compete well and represent Bendigo well in the national championships.

CRIMES (CONTAMINATION OF GOODS OFFENCES) BILL

Introduction and first reading

Hon. P. R. HALL (Gippsland), by leave, introduced a bill to amend the Crimes Act 1958 and for other purposes

Read first time.

Second reading

Ordered that second-reading speech be incorporated, by leave, on motion of Hon. P. R. HALL (Gippsland)

Hon. P. R. HALL (Gippsland) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

This bill amends a deficiency in the Crimes Act 1958 which presently exposes Victoria's agricultural industries to harm arising from the wilful contamination of goods.

On 19 November 2003, Ralph Hahnheuser deliberately contaminated the food and water systems of a Portland feedlot with shredded ham. He did so to highlight what were said to be animal liberation's concerns over live sheep exports.

The feedlot held approximately 70 000 sheep destined for Kuwait. Mr Hahnheuser videotaped the contamination process, then called a press conference to publicise his actions, confirming that he intended to make the animals unacceptable for halal slaughter or for consumption in Middle Eastern markets.

The sheep were unable to be exported until the contaminated feed had passed through their digestive system.

Eighteen hundred sheep — worth about $100 a head — were declared unfit for export. Two weeks were lost before a further export licence was granted. Exporters Samex and Rural Exports and Trading estimated the feedlot contamination cost them more than $1.25 million.

Mr Hahnheuser was charged under section 249(b) of the Crimes Act 1958.

Section 249 provides that a person must not contaminate goods with the intention of:

(a) causing public alarm or anxiety; or

(b) causing economic loss through public awareness of the contamination.

Sections 250 and 251 are also predicated around the issue of 'intention'.

The defence claimed Mr Hahnheuser fed the sheep pig meat to prevent unnecessary cruelty to sheep and that the contamination of the feed was in effect a means to an end. It was admitted Mr Hahnheuser had deliberately contaminated the sheep feed but that he had done so to save the sheep not with the intention of causing economic loss.

On 6 May 2005 a Geelong County Court jury returned a verdict of not guilty. One of the pillars of our criminal justice system is jury service and no form of criticism can or should be directed to jurors fulfilling their sworn duty to return a verdict based upon the evidence before them.

Nevertheless the Hahnheuser case prospectively opens the floodgates for similar incidents to occur in the future, effectively holding Victoria's farmers and exporters to ransom. The law, as it stands, offers limited protection against such actions.

This bill inserts into the Crimes Act a new section 253 which provides an extended meaning of 'intention' within sections 249, 250 and 251. It will enable courts in future such cases to take into account not only an individual's knowledge of the damage his actions are likely to cause but also to have regard to what that person in the particular circumstances ought to have understood would be the consequences of his conduct.

Live sheep exports are worth $1 billion to Australia. Much of that benefit flows to Victoria. It is imperative that those who would harm the industry, for their own misguided ends but at the economic cost of industry stakeholders, are able to be prosecuted within the full force of the law.

Similarly the many other areas of our economy which are exposed to abuse through conduct of this nature must also be protected.

This bill will deliver that outcome.

I commend the bill to the house.

Debate adjourned on motion of Mr LENDERS (Minister for Finance).

Debate adjourned until next day.

TAXIS: RURAL AND REGIONAL SERVICES

Hon. B. W. BISHOP (North Western) — I move:

That this house acknowledges the current crisis being experienced by country taxi services and calls on the government to immediately implement measures that will ensure these vital services can continue to meet the needs of rural and regional communities.

The Nationals have put forward this motion in an attempt to join with the government and the Liberal Party in an effort to solve some of the issues that we see in the country taxi industry in Victoria. Hopefully, during our contribution to this debate we will be able to offer some options and a way forward to solve some of those difficulties we see so clearly in the taxi industry in country Victoria. As I do that I would like to commend our colleague Bill Sykes, who is the member for

Benalla in the other place, and who has certainly done a great job in championing the cause of country taxis in Victoria.

There is no doubt that the taxi industry is a huge industry. Just having a quick glance through the paper snapshots, we can see it is a huge industry. It has investments of $1.3 billion, it does 27 million trips a year, it carries 47 million people a year and there are huge numbers of taxis both in the metropolitan and the country areas. It is interesting to note that in December 2004 there were 4253 taxis in Victoria; 3049 of them were in the metropolitan area and 404 in the country areas. The interesting thing to note is that the metropolitan area had 100 of the M50s — what we would generally call wheelchair-friendly taxis — and in country areas there were 82 M50s. A strong number of those particular taxis were in the country areas, and we would like to pick up on that during our contribution to this debate as it moves along today.

We in The Nationals believe that all taxis perform essential roles in our community, but certainly in country Victoria they play a huge role in offering transport to aged, frail and disabled people in particular in our areas and to people in general for work, entertainment, and sport and recreation. It could of course be added that in some instances taxis do a great service in getting our young people to and from schools. There is a huge difference between the taxi industry in the metropolitan areas and the taxi industry in the country areas. In simple words, the big difference is public transport — either the lack of it or the limited amount of it in country areas. That is what makes that huge difference between metropolitan and country taxis.

What fills the gap in country Victoria is community transport, and that comes along in all shapes and sizes. It might be little buses, cars, panel vans or any sort of vehicle. I notice an organisation in Mildura called Sunassist has eight vehicles, does between 250 to 300 trips a week, has 89 volunteers and has done 14 200 trips so far this year. It is a huge contributor to the community transport task in a regional centre like Mildura, and there are heaps of other models in the community transport area. Those services impinge on the taxi industry and it would be a good idea if we could get some cooperation between the country taxi industry and community transport to make things better not only for country taxis but for our communities as a whole.

We now find that in many areas country taxis are on the brink of falling over financially. They are in a difficult situation, and we might ask ourselves why. That is a reasonably good question, and we can start with the fact that there have been no fare increases since 2000 except for the current increase of 8 per cent. Most of the taxidrivers we have talked to say it is a lousy fare increase to have waited five years for. We in The Nationals are not in favour of increases linked to the consumer price index (CPI). We do not believe that will fix the problem the taxi industry is facing at this time. I am not sure what the right fare increase should have been. Many taxi operators have said to us, 'Fifteen per cent does not sound like a bad sort of figure, but we need a mechanism that is better than what we have now'. I thank Neil Sach, chief executive officer of the Victorian Taxi Association (VTA), and Stephen Armstrong from Ballarat, its vice-president, who spoke to us and gave us some very good information on Tuesday.

It is interesting to note that in the first tranche of its submission the VTA put forward a proposal for a rise in taxi fares comprising 60 per cent weekly earnings and 40 per cent CPI. That is probably reasonable when you think that 60 per cent of the revenue earned in the taxi industry goes to people and nowhere else. That would have equated to about a 24 per cent rise. However, the Essential Services Commission negotiated with the VTA, and the association came out thinking that it should put forward a process of 40 per cent CPI and 60 per cent of the cost of labour, which equated to about 14.5 per cent. Eventually the Essential Services Commission stuck to the CPI model, which we in The Nationals do not particularly agree with. I understand the commission took off 1 per cent per year for productivity — I am dashed if I know how you can get much productivity into the taxi industry when it is running as efficiently as it is now — and came out with about 8 per cent. I guess without any productivity cuts, CPI would have come out at about 12 per cent.

We need a new method of assessing taxi fares and The Nationals believe we need a more regular assessment. Given that we are challenging the methodology of how this taxi fare increase has been reached, this assessment should be done very quickly to get over the difficulties that we are facing in the country taxi industry in Victoria. Fuel costs are going up and up across Victoria, but they are certainly higher in country areas. In country areas the operation of taxis sees a lot of dead kilometres run whereas in the metropolitan area that is not such an issue.

We will have a look at what the country media says in central Victoria. The *Wimmera Mail-Times* — a paper that always reflects the issues — states:

> Within two days of an 8 per cent fare increase, country taxidrivers will gather at a rally in Melbourne today.
>
> They will appeal to the state government that without special consideration for regional areas country taxi services will not survive.

That is the view of the *Wimmera Mail-Times*. It is quite a good editorial, which unfortunately I do have not time to read into the record today. It is an excellent snapshot of the concerns about country taxis. Again, we have the *Herald Sun* of 7 July talking about the issue as well. It states:

> Attracting drivers was difficult because the pay was less than Melbourne.
>
> Country taxis are heavily reliant on business, from wheelchair users who have the multipurpose taxi subsidy card. The state government imposed tougher criteria and a subsidy cap to stop fraud.

That article goes on to comment on the concern of country taxidrivers.

The reduction and viability of country taxis has been a slow process, but the match that touched the wick, if I can put it that way — was the multipurpose taxi program. There is no doubt that we in The Nationals believe it was a knee-jerk reaction from the government. Instead of using a sledgehammer, we would have suggested that it sorted out the rorts in that program first and not cut deserving people out of the program. It could then have assessed the situation from there on. I am absolutely certain that that approach would have been supported by the taxi industry because taxidrivers wanted the rorts out of the system as it reflected badly on them. I am absolutely certain that it would have worked better for the government to do that. We believe it has had a enormous effect on the viability of our country taxis and we hear many of our taxi proprietors saying to us that those reforms knocked 20 per cent off their business. No-one accepts fraud. I have a letter here from Action on Disability within Ethnic Communities which finishes up in one of the paragraphs by saying:

> Again I stress that the matter of fraud should be dealt with by your department by tackling the taxi industry — not penalising people with disabilities.

This letter is written to the Minister for Transport, the Honourable Peter Batchelor, from a 'blast from the past', Licia Kokocinski, who used to sit in this house some years ago. We are suggesting that the system that, as I understand it, was costing around about $44 million a year in the multipurpose taxi program is really chickenfeed compared to the subsidies in public transport. We saw a cap introduced in relation to that as well, which again particularly disadvantaged country people as well as our taxi industry. Added to this we saw new eligibility criteria introduced and also membership card charges. As we all know, that created enormous pressure. Members of The Nationals felt country taxis and country people were being discriminated against and they collected thousands of signatures in petitions which were presented to this house. Now we see an increase in fees. It is interesting that we notice a number of people saying, 'It is too small; perhaps that may be gobbled up now that the new $1000 cap has been introduced. Some of that will be gobbled up due to the increase in fees. It will certainly help some but it will not fully solve the issues of our taxis and their capacity service the frail aged in country Victoria.

It is interesting to note the comments in relation to the fare increase. If we look at the *Weekly Times* from last week — in fact, I think it is from the week before — again we note the comments of the taxi industry. The media report states:

> The angry operators say the government is not doing enough to stop them being driven out of business.
>
> They have called for more subsidies, particularly to help fund expensive wheelchair-accessible taxis, and the right to charge higher fares.

Their concerns have been expressed across a wide range of the media and across the community as well.

It is only fair and reasonable that, as I have said before, we have a quick reassessment of the fares with the new method. It is good the taxi industry will have a review. We would like to see a prompt review. We would also like to see a separate section in that review which is aimed directly at country taxis and the particular issues concerning them at this point in time.

It is interesting to note the comments of the Essential Services Commission. It said:

> The commission is aware that there are numerous users, such as the elderly and disabled, who are particularly dependent on taxis and for whom the absolute level of taxi fares is a crucial issue. The commission does not propose that taxi fares for all users should be kept artificially low in order to meet the needs of these dependent users. To do so would undermine the financial viability of the taxi industry. Rather, the commission recommends the continued use of a direct subsidy, such as the multipurpose taxi program … to address the affordability requirements of more vulnerable users.

That is a particularly interesting comment coming from the Essential Services Commission because in fact it recognises very clearly that any increases in fares may well put our disabled and people in lower socioeconomic circumstances further out on a limb, but it also recognises that fares are too low and that the way

to manage that is to get that multipurpose taxi program (MPTP) in good order so it is able to respond quickly to the requirements that are placed upon it.

We should have a quick look at that and at the eligibility criteria, which need to be reviewed. We would remove the cap. We believe the cap should not be there. It is an imposition, particularly in country areas where there is no public transport. It certainly would provide a much fairer go for our frail aged in country areas. Also the form they have to fill in is quite complex and needs reviewing to ensure people do not miss out and are not confronted with it.

The other issue of course is what we can do. We are talking about wheelchair-friendly taxis. It is sort of different strokes for different folks, I guess, but why should not country taxis receive the same assistance as the metropolitan ones? For example, the metropolitan depot receives $100 every 28 days per vehicle; it gets $3.30 each time it has a phone booking. Their operators get $1 per kilometre after the first 4 kilometres. We think this is an issue that could be fixed now. We are a bit surprised that the minister apparently demonstrated in a radio interview that was not aware of that. We urge him to correct that immediately, because it will have a substantial effect on the whole issue as we go forward.

I have a letter from Jenny Trewin from Sale, who raises the issue of a subsidy to replace those particular wheelchair-friendly taxis I was talking about. Her letter says:

> But we are also asking for 100 per cent subsidy to replace our MPT vehicles. The cost of these vehicles now has risen to almost $90 000 and there is no way we can afford to replace these buses for the return we get.

Jenny Trewin goes on to raise a number of issues. Unfortunately I do not have time to deal with those today.

We have received a huge amount of information from the taxi industry and many of the operators in the industry. The letter from Hans Zonneveldt is excellent. Hans raises a lot of issues. Again, unfortunately I do not believe I have time to cover all of those issues today. However, I will talk about one of them at this stage and I will gather the others up at the end of my contribution. Hans suggested that we take the taxi industry out of the Department of Infrastructure portfolio and put it into the Department of Human Services. However, many people suggest that the policy in relation to the multipurpose taxi program should come from the Department of Human Services but its operation should stay with DOI. I say, 'Well done, Hans.' for his suggestions — he has put a lot of effort into his letter.

There is no doubt that our country taxis are under pressure and we must take some action to alleviate that situation. In an effort to offer some practical solutions I suggest that the government immediately review the taxi industry. It needs to be a complete review and in it the government needs to separate out the country taxi sector so we can focus on it. I ask the government as it does that review to complement community transport and the country taxi industry so they do not compete with one another but rather work together in delivering services to country Victoria. I am involved in the Road Safety Committee. Its reports into the country road toll and older drivers contain strong recommendations that the Department of Infrastructure have a decent look at how community transport could be better structured in country Victoria. If we complemented the operations of taxis and community transport, I think we would go a fair way toward that.

We want a fare review for country taxis, and sooner rather than later. We believe we need a new model which better reflects the taxi industry and takes account of its labour intensiveness. We want a level playing field, as we have talked about, with the wheelchair-friendly taxis, which provide a huge service in country Victoria. We have spoken about that — it is the $100 every 28 days to the metropolitan depots, the $1 per kilometre over 4 kilometres which I understand goes to the driver and the $3.30 phone booking fee, which we believe should immediately apply to country taxis.

In relation to the subsidy to replace wheelchair-friendly taxis, which we are advised now cost up to $90 000, we believe that a fair process for that would be if some community fund could subsidise the difference between the cost of a standard taxi and that of a wheelchair-friendly taxi. We believe the multipurpose taxi program cap should be removed — it should not have been there in the first place. As we said, fix the rorts. We should also have a look at the $30 cap on fares — it should be more like $50 given the passage of time. We also want the government to have a look at the eligibility criteria, particularly in relation to the frail aged. We have quoted examples of that many times in this Parliament. We want a simpler process which is not so confronting.

Advertising is an interesting thing. We have heard reports that our taxis can earn between $600 and $1200 through advertising. They do that in different ways: they might get some radio advertising, they might get money or they might get tyres. It may not seem like a lot but it all helps in relation to the viability of our country taxis.

Another issue concerns roadworthy certificates. Why take cars out of the area? Why not have the roadworthy test in the driver's local area, which would save costs and mean cars were not off the road for such a long time.

Taxidrivers have asked why they cannot work in neighbouring areas by invitation when they have a big event. We understand it would need to be handled very carefully — for example, a place like Lakes Entrance has a big New Year's Eve and New Year's Day and taxis from surrounding areas could be invited in without being worried by the need for permits and the economic issues involved with permits to be in the town. Some people have suggested multi-tiered fare structures and the need to look at the 24-hour availability of country taxis.

The Nationals urge the government to support this very reasonable notice of motion. We have moved the motion in an effort to have practical proposals in place to ensure country taxi services are viable and survive in the future. I congratulate the member for Benalla in the other place, Mr Sykes, who has picked up the ball and run hard on this issue. We again make the point that the motion is not adversarial but aims to bring the issues out into the public arena. We urge the house to support the motion.

Mr VINEY (Chelsea) — I begin by thanking The Nationals for putting this issue in the form of a motion so the house can consider and debate it. At the outset it is worth saying that while the government may have different views about some precise words in the motion, it has made a suggestion to The Nationals that the government is more than happy to support the motion with a minor word change, and I believe The Nationals are considering it. While we acknowledge there are problems in the taxi sector in country Victoria, it is the government's view that the word 'crisis' is a bit harsh. In saying that I am sure if you are a country taxi operator in a country area where you are struggling, it is a crisis. If you are an operator and you are struggling I am sure it is a crisis — absolutely. If you are a person in business or an employee when the business is in trouble and it is looking at redundancies or changes to the business, it is a crisis for the individuals involved.

Looking broadly at the taxi sector, particularly the country taxi sector, it is fair to say that in some of the regional towns and major regional cities such as Ballarat, Bendigo and Geelong, and perhaps even places like Hamilton, Horsham and areas in the Latrobe Valley, there is growth in the taxi sector. In some smaller towns there is clearly a problem in terms of supporting a small business operating a taxi service. The government has suggested to The Nationals, and it is considering it, that with a slight change in the wording acknowledging that there are problems being experienced by the sector in country Victoria the government will be happy to support the motion.

In the context of this debate it is important to consider the history and put on the record some of the more recent initiatives that the government has undertaken. I listened to Mr Bishop's call at the conclusion of his remarks for the government to undertake a review of country taxi services. I understand that was a recommendation of the review by the Essential Services Commission and the government has accepted the recommendation and a departmental review has commenced.

Hon. B. W. Bishop — The issue was to have a focus on country taxi services.

Mr VINEY — That is correct. There is a need to have a focus on country taxi services. My understanding is that the department has commenced that review. On 3 August the director of public transport and the Parliamentary Secretary for Infrastructure and member for Brunswick in the other place, Carlo Carli, met with country taxi operators to hear some of the issues and to clarify their concerns to kick-start the review process. That first meeting was to inform the department's review process and to kick-start it.

Hon. Bill Forwood interjected.

Mr VINEY — Mr Forwood comes into the chamber and interjects, but he did not hear the opening remarks that I made on behalf of the government on this matter. I said that the government does not hide from the fact that there is a problem with country taxi services in Victoria. Because Mr Forwood came into the chamber late it is worth putting on the record again that in discussions with The Nationals, and with some minor adjustments, the government is prepared to support the motion. This is not a motion needing acrimony or disagreement in the chamber. It is a motion where there is agreement that there is a problem in this sector. It is a structural problem that particularly affects the smaller country towns.

Recently the government has taken some initiatives that it believes will be of assistance to the taxi industry generally and should be of some assistance to country taxi services. In particular, arising out of the Essential Services Commission's review, there has been a commitment to increase taxi fares by 8 per cent and to have ongoing fare increases over the next few years at

the rate of the consumer price index minus 1 per cent to build in ongoing support and recognition for the people working in this industry to have increases in their wages, just as most other workers do in this state.

There had been a proposal for a 23 per cent increase by the Victorian Taxi Association, but the government did not believe a fare increase of that magnitude would be particularly useful for the taxi industry because the clear impact that such a very large increase in fares might have had would be to dampen demand. It is always an important line from the business point of view between making sure the price is right and ensuring it maximises demand. More importantly, the taxi industry, while it is a business and needs to operate on a business footing, particularly in country Victoria but also in many outer suburban areas, is an important community service and needs to be seen in many instances as a real public transport option for people.

Hon. B. W. Bishop — Particularly where no public transport exists.

Mr VINEY — Where there are no public transport options in small country towns and also in outer suburban metropolitan areas, there is a real need and reliance on taxi services to ensure people have mobility. It was important to get the fares at the right level to ensure that there was a fair and reasonable reward for people's work but not of such magnitude it would dampen demand. My understanding is that even without having had a fare increase from December 2000 the real return of fares — I am not exactly sure of the expression — was some 16 per cent above the return in 1987 even though there had been no increases.

Hon. Bill Forwood interjected.

Mr VINEY — That is the advice I am given. I have not done the analysis myself. The advice is that even despite the fact there had not been an increase in fares, the real return in this current year before the fares were increased was 16 per cent higher compared to 1987. Taxi fares were at their highest historical level in real terms, but there was a need to continue and maintain fair reward both for the investment of the owners of the vehicles and the taxi drivers. It was important to get the balance right.

In comparison to other states Victoria sits just above the middle. The flag fall in New South Wales is $2.65; in Victoria with the new increase it has gone from $2.80 to $3.00. The kilometre rate in New South Wales is $1.56; in Victoria it was $1.31 and is now $1.41. In Queensland the flag fall is $2.50 and the kilometre rate is $1.38. Victoria sits slightly above the midrange of fares across Australia. The government has acted and put in place the current increases and some capacity over the next few years for ongoing fare increases that are fair and reasonable in relation to consumer price index increases.

As members are no doubt aware, the government made some changes to the multipurpose taxi program in response to issues associated with the containment of the cost of that program. The cost of the program in Victoria was significantly higher than equivalent programs in other states and was growing very rapidly. The government felt a need to look at how the costs could be contained so the program could remain viable. The Essential Services Commission undertook some reviews of the multipurpose taxi program and the government in response has increased the cap for people using the program from $565 to $1000. It is a very significant increase. As a local member I have received constituent representations on this issue, and I am sure many other members here would also have received them. It is a very important program. It helps people with a disability maintain their access to essential services and the normal activities of life.

My understanding is that when the cap of $565 was put in, it covered 90-odd per cent of people who were involved in the program. As a result of the review the government has relaxed that cap and it has also increased the trip cap from $25 to $30. The government has been responding to some of the issues and concerns that have been raised by the taxi industry and users of taxi services. I welcome that flexibility and change announced by the minister.

I want to talk about the role of taxis in country Victoria. The government recognises that taxis play a very important part in the infrastructure of transport and accessibility in regional and country Victoria. In my own visits — social, holiday and business as a member of Parliament and prior to that as a business person — to country and regional Victoria I know the importance of the taxi services. There is not always a lot of public transport available. Taxis play that role. The government is now considering as part of its review of taxi services in regional, provincial and country Victoria, the capacity for the taxi sector to run flexible fixed routes. These days some of the larger, almost minibus-sized taxis have the capacity to provide almost a fixed route-type service with some degree of flexibility so that they are able to move off those fixed routes to collect, say, people with a disability or others who are a little further away. They could provide a mix between a taxi service, with the great flexibility that taxi services have, and the efficiency of a more normal fixed route public transport service. That is one of the

options the government is looking at in relation to this review.

While taxis are private businesses that are run for profit, there is an acknowledgment by the government that they also provide an essential community service. It is in the interests of governments and the community and to the benefit of the local economic activity of regional and country Victoria to have efficient, effective and profitable taxi services in country Victoria.

The department is undertaking this review and will draw on advice from work done by the Essential Services Commission. We will move forward on a number of very good recommendations that have been put forward by the Essential Services Commission in relation to its review.

I want to conclude by again thanking The Nationals for moving this motion. It is important for us to have these discussions and debates in the house where we can reasonably look at the issues and have them on the public record. I also appreciate the spirit of debate from Mr Bishop in terms of the intention of The Nationals to put forward something positive that the government can support. I also acknowledge the discussions I have had with Mr Hall, Mr Bishop and Mr Baxter on the government's preferred position in relation to the wording of the motion. I understand The Nationals are prepared to consider an adjustment to the motion, which we appreciate.

We acknowledge the current problems being experienced by country taxi services. We accept that as the government of the day we have an obligation to look at those things in a considered way, to consider the broad issues associated with taxi services not only for the operators but the community and those with disabilities who need to use the multipurpose taxi program. We accept that responsibility and therefore have no difficulty with the second part of the motion that is calling on the:

> … government to immediately implement measures that will ensure these vital services can continue to meet the needs of rural and regional communities.

I look forward to listening to Mr Baxter's contribution when The Nationals will put on the record their views on the government's request regarding the wording of the motion, but I indicate that the government would not oppose it in its current form but will support the motion strongly with some adjustments. I look forward to Mr Baxter's contribution in that regard and look forward to the spirit of a positive debate on this matter for the remainder of the morning.

Hon. PHILIP DAVIS (Gippsland) — I am delighted to join this debate this morning and support The Nationals' motion acknowledging the serious problems in the country taxi industry. We need to acknowledge that this is a real issue for people across the state. I am sure all members of this house representing country provinces will support vigorously the intent of the motion. I look forward to hearing from Ms Hadden later today. The Liberal Party will give up 5 minutes of its time so that she can contribute.

It is important for us to note how country communities, particularly the frail aged, are dependent on their taxi services. There are very limited forms of public transport intratown in most country communities. There is an inversely proportional level of access to public transport — that is to say, the smaller the town the less public transport is available. In small towns like Bright, Beechworth or Myrtleford in the north-east, or indeed in East Gippsland in towns like Mallacoota and Orbost, there is very limited access. I note that the Mallacoota service has been recently closed and the Orbost service is now not operating because the two vehicles in that service require major maintenance and the operator has decided that it is not cost effective to perform the maintenance. Recently the service at Nagambie was closed. The multipurpose wheelchair taxi service in Sale has been cut by 50 per cent because the two wheelchair cabs are both aged and one needs major maintenance, and the Sale taxi service operator has chosen not to undertake that maintenance on one of the cabs and therefore there is now only one in service. I understand many others are at risk, including the Euroa service, which is shortly to make a decision to close.

This is a small representation of the difficulties for these services, but the major concern I have is people will become prisoners in their own homes for want of any effective level of transport. As we go through life we, from our own experience, learn about different aspects of living from observing other people's behaviour. I have in recent years become more aware of the difficulty of mobility for the aged in our community. Today I am far more aware of that than perhaps I was a decade ago. I note with interest that although a large cohort of people with whom my own family — that is, my mother and mother-in-law — are associated, to a large degree depend on the availability of taxi services, at the same time they do not want to take taxis because they are so determined to remain independent. They want to keep driving.

If taxi services collapse we will see an exacerbation of that problem of the frail elderly wanting to retain their independence and not give up their access to their own car — their own chariot, their own set of wheels —

which gives them that independence. As people become less able to cope with the challenges of driving on our roads, the only way that they can be persuaded at all to make an appropriate self-determination about their mobility is to give them the availability of being able to move into taxis.

I have to say, because I have talked at length to many older people about this issue as I have become more aware of this real, I guess, threat to independence, that I have become increasingly aware of how precious the issue of personal mobility is. It is something that we probably do not think about much at all as we go about our lives. But for people who have been independent all their lives to suddenly be confronted with people around them who care for them dearly saying, 'Perhaps you should not be driving anymore', and to see that as meaning that they will effectively become a prisoner in their own home and totally dependent upon their friends and family to be able to go outside the home, is a terrifying prospect. Today we are talking about a very serious social policy issue which should not be taken lightly. I was pleased to see it is possible for all in the house to agree on and support the thrust of this motion, and hopefully the government will take on board the concerns of the community and this house and produce some further remedies.

Representations have been made to me by various people in the taxi industry about their concerns with the viability of not only individual businesses but the industry as a whole across country Victoria, pointing out some of the difficulties. I would like to reinterpret some of those in my own way. It would seem to me that a government effectively capping fare increases in this industry for five years will inevitably lead to a situation where any fare adjustment will be taken by consumers — by taxi passengers — as being an outrageous impost on their purse, when in fact any objective view would be, 'If fares were adjusted more regularly over the period, then a fare increase would not be such a major issue for consumers who are used to the price of other consumer items being adjusted on a regular basis'.

A consequence of the recently announced decision to increase fares by 8 per cent will obviously be a negative impact on the taxi industry in terms of consumers — that is, passengers — taking up the services. However, I am more concerned about that response in the marketplace on the taxi services themselves, because it will erode their base income. Frankly, these small country towns cannot afford those shocks in terms of loss of patronage. I would urge the government to not allow this circumstance to arise again of there being a sharp increase in fares on a one-off basis which adversely impacts on customer acceptance of that fare increase. That is the first thing.

The second thing is that I am advised that in the period since the last fare increase the consumer price index has moved upwards by 16 per cent. So the recent fare rise which has been approved of 8 per cent is clawing back only half of the CPI rise over the period. In our modern society there is a tendency to think that we can do things more efficiently, run the business of government more efficiently and so on. But the bottom line is that taxi operators have to pay wages as well as paying for fuel costs and the maintenance of their vehicles. This rise is undoubtedly putting a huge amount of pressure on the industry in terms of its capacity to operate profitably. The taxi industry is a private sector industry; it is not a public service in the sense of something which is provided by government at taxpayer expense. It is largely a private sector business, and I will come to the element which is not in a moment. Essentially fares need to reflect the cost of providing the service and should not be adjusted sharply so as to deter patronage.

It is important for us to recognise that a significant component of the service provided by country taxis is to people who are infirm and/or have no other means of transport, and it is therefore a public service provided by the private sector. It is a vital and essential service — it is a service which, for social cohesion and health and welfare reasons, is critical. There are many people in our community who simply have no other choice but to take a cab. There are many people who have no choice but to take a cab when they visit a medical practice or a hospital, or even do their weekly shopping. I know of people who actually have taxidrivers deliver their groceries because they are infirm and do not go to the supermarket. They put in a telephone order and have the local taxi company collect their groceries and deliver them. Those services are vital to not only the wellbeing of the individuals but also to the social cohesion of our community.

Of course there is the long-established multipurpose taxi program. I will not get into the detail of the debate that has been had at an earlier time about the government's changes to the multipurpose taxi program but simply say that the Liberal Party does not believe the approach the government has taken in imposing a cap on the multipurpose taxi program is appropriate. The government was embarrassed by the identification of rorting of this program, but instead of dealing with the rorting it actually imposed an arbitrary cap of $550. That has significantly diminished the ability of participants in this program to get reasonable access to the service and has very much prejudiced the position of people in country areas.

I do not really know, because I am not an expert on the average price of trips in suburban Melbourne, but I think anybody would understand that a person living in the country using the multipurpose taxi program discount should find it unfair that they are treated in the same way as somebody who is living in the city and who obviously makes trips of a shorter distance than those made in the country. When the arbitrary cap was put in place there was no regard for the differential in the trip cost for country communities. It also does not recognise need. If the only means of transport is through the multipurpose taxi program, then the need exists whether or not the government of the day determines that there shall be a cap. That prejudices those in need.

I would argue strongly that the program is also badly structured because of the bias — again — against country taxi operators, with metropolitan operators receiving certain financial incentives to operate disabled taxi services. They receive $100 per multipurpose car every four weeks for upkeep, an extra $3 per multipurpose telephone booking, and for every trip over 4 kilometres an additional $1. Those levels of assistance are not available to country taxi operators. I simply do not know why, but it means that the, if you like, obligation on country taxi operators to provide this very important community service — public service — as a private sector business is increased. It is a major commitment that country taxi operators make to the community and I congratulate them for it. In short I simply say that I believe the government has got it wrong in the way it has dealt with fares. It has got it wrong in the way it has dealt with the multipurpose taxi program, and the Liberal Party is committed to restoring that program and removing the cap. The government has got it wrong when it ignores the fact of country taxi services collapsing around the state.

I do not want to lead any more evidence to that because it is now, in a sense, agreed in this chamber that we do have a major problem in the country. My spirits are lifted a little knowing that the government has clearly acknowledged that and my expectation is therefore that action will now be taken to improve the position of the country taxi services so that we can ensure that our senior citizens particularly, but also others who have disabilities and therefore are dependent upon taxis, have that service available, as well as those in the general community who need to use taxis from time to time because it is an important part of their mobility. Without further ado I support the motion before the house.

Hon. W. R. BAXTER (North Eastern) — At the outset I advise the house that The Nationals will be conceding 10 minutes of our time allocation to Ms Hadden.

I am pleased to participate in this debate today and I am delighted that we have such unanimity right across the chamber in acknowledging that in fact there is a problem with country taxis in particular and with the industry in general. It is in that light and to accommodate the government's wishes and to give the government the capacity to support this motion that I wish to amend one word of it. I move:

> That the word 'crisis' be omitted with the view of inserting in its place 'problems'.

Mr Viney acknowledged that there is a crisis in taxi services in some small country towns, and I think one has to say there certainly is in Euroa, and probably also in places like Numurkah, Cobram and Mallacoota and various other small towns, but perhaps generally the word 'crisis' was a little overemphatic and the word 'problems' covers the set-up. With the word 'problems' the government will support the motion so I am happy to move that amendment.

I also commend the member for Benalla in another place, Dr Sykes, for the way he has galvanised the Parliament in terms of the problems of country taxi services. The issue really arose as a cry for help from the taxi service in Euroa, which had wide coverage on ABC regional radio, particularly the Kathy Bedford program. Dr Sykes got together most of the taxi operators within the Benalla electorate and somewhat further afield in the electorates of Murray Valley and Shepparton and took the matter forward. The result is this motion today, the government's acknowledging that problems exist and Mr Viney, on behalf of the government, acceding to the request in this motion that steps be taken to alleviate some of the problems that are afflicting country taxi operators.

It goes without saying that taxis provide a very important service throughout Victoria. Often they are taken for granted and are underrated. They are a transport service that is available on demand 24 hours a day, 7 days a week. Perhaps that is one of the issues that we might have to look at in terms of the licence conditions in very small towns, whether such an onerous condition can be met in all circumstances. Of course they take the passenger to their actual destination; they do not drop them off a kilometre from where they are going, as trams, buses and trains might well do. We have to say it is an extraordinarily good service, whichever way you look at it.

I have been in a position to have something to do with the taxi industry in my time in this Parliament,

particularly as a minister. In 1992 when the Kennett government came to office it is fair to say that the taxi industry in Melbourne at least had reached a low ebb with low morale in the industry. Taxicabs were like the Heinz 57 varieties — cars of all sorts and makes, and in all colours and condition. Many of the vehicles were old and worn, and their drivers did not seem to exhibit much pride in their job. Premier Kennett, to his everlasting credit — and I, as his Minister for Roads and Ports, had some part in it — was able to give the taxi industry a new sense of pride.

I think the former Premier was the one who was driving it; I give him that credit. He was the one who was determined that all taxi cabs would be yellow, that we would have consistency and that we would take the advertising slogans off the vehicles. As many members will recall, when we were debating what colour the taxis would be he threatened that they would be pink. I do not think Mr Kennett was for one moment serious about that, but, by Jove, it focused the mind. It achieved his purpose and, as I said, the taxi industry responded to his keen desire to lift it out of the doldrums. Mr Kennett and I regularly attended the annual taxidrivers gathering, and it was magnificent to see how they responded to Jeff Kennett. I pay him a great tribute for the attention he gave to the industry and its results. It is a bit unfortunate that since then the current government has let slip its interest in the taxi industry. The current minister seems to think it is a private business, and he does not need to have much to do with it.

Hon. Bill Forwood — That is what he said!

Hon. W. R. BAXTER — That is what he did say, Mr Forwood. I was very pleased to hear Mr Viney this morning acknowledge that it is a community service and more than just a private business, and that in many circumstances it is an integral part of the public transport system.

It is not right to say it is a private business in the normal sense of those words. It is a heavily regulated business, not only on fares — and we have just heard a very good contribution from Mr Philip Davis on that issue — but it is also regulated in terms of who can get into the business. One needs to get a licence and get a plate before setting up as a taxi service. It is not a private business in the sense that one could open a fish and chip shop simply by buying the shop and setting up in business without actually having to get approval from government, other than obtaining the normal planning permits. We often have — for example, as we currently have in Wodonga — much dispute even among the taxidrivers and owners themselves as to whether we have got enough cabs or whether we should have more cabs and so on. It is a regulated business; it is not a free-for-all in the sense that private businesses usually are considered to be.

It is very unfortunate that we have had a fare drought for five years. Mr Viney acknowledged that fares have not gone up for five years and he quoted figures saying the taxi industry is 16 per cent better off in real terms than it was in 1987 — he went back that far! It might have been a case of Mr Viney using statistics like a drunk uses a light pole, more as a source of support than a means of illumination. I am not in a position to question whether the 16 per cent is correct or not, but I assume it is correct and that the year 1987 was selected because it was possible to concoct this 16 per cent and make it look good, but it took no account of the profitability of the industry or of the increase in costs to the industry since 1987. We all know how much petrol has gone up since 1987. I bet petrol has increased a lot more than 16 per cent, and I would not be surprised if tyres are more than 16 per cent more expensive in real terms. Whilst the figure Mr Viney rolled out may in itself be accurate, I do not think it paints a proper picture of the industry at all.

Hon. Bill Forwood — Mr Viney said it was not his figure; it had been given to him.

Hon. W. R. BAXTER — Yes, Mr Viney at least was prepared to put that caveat on the figures.

The industry sought an increase of 23 per cent. That might have been an ambit claim, but if 23 per cent had been agreed to it would have had exactly the sort of impact that Mr Viney suggested — and as I think Mr Philip Davis suggested. If prices were to go up in that order of magnitude, it would drive down patronage to such an extent that it all would become counterproductive anyway.

The industry then looked at it further and came up with a figure of something around a 14 per cent increase. From the discussions I have had with the taxi association, that 14 per cent stacked up whichever way one looked at it: statistically, on the evidence, on the logic, 14 per cent was justifiable. But the Essential Services Commission (ESC) came up with 8 per cent and some agreement for the future of consumer price index minus one (CPI–1). It will be good if in the future we get some regular adjustment of fares rather than the cliff face system we have had over the last decade or so where we have had a long drought and then a sudden steep increase. I am not so sure that CPI–1 is necessarily applicable to the taxi industry. I agree with that sort of formula in terms of energy prices and the like where there is plenty of opportunity to drive down

costs to get better efficiency in production and use of capital. It is a little more difficult to see how to do that when dealing simply with a vehicle and a driver who is waiting for a passenger to come along.

Hon. Bill Forwood — And rising costs!

Hon. W. R. BAXTER — And rising costs all the time. I express some doubt as to whether the ESC has got it right in applying that sort of formula to the taxi industry, and I hope it does more work on that formula.

Over time we have seen the introduction of a cap on the multipurpose taxi system — and I think that was a mistake. We all know and acknowledge that there were rorts in the system, but surely the idea would have been to take the fraud out rather than impose penalties on innocent people. The fraud and rorts are presumably still going on; it is just that they are not going on to the same extent and it has not solved the problem at all. It was very unfortunate that the government did that. The trip cap has been lifted from $25 to $30 — a welcome increase — but if we are going to have 1987 as our benchmark, as Mr Viney did, maybe we should adjust the trip cap up to something like it should be à la going on from 1987, and in that case it would be something like about $50.

Of course, there is discrimination between the city and country in terms of the assistance given to taxi operators and depots in the operation of the multipurpose taxi scheme. Why is there a discrimination between city and country? I think I know why. In the city business is so good taxi operators need some bait, some incentive to go out and pick up disabled people, and this was the government's solution; whereas in the country, where there is a lot less business, taxidrivers will take disabled people for two reasons: one is that they need the income, and secondly, they live in small country communities where they know everyone anyway and they feel a moral obligation to pick up those passengers, albeit it takes more time, a greater effort by the base station and the like. I cannot see any justification for that sort of discrimination. That is one problem the government could look at soon because a solution would materially assist taxi services in our small country towns. I call on the government to fix some of those problems in the review that Mr Viney has already indicated the government is now going to undertake.

Mr Bishop has mentioned the costs that are imposed by having to have taxis inspected by a taxi vehicle tester rather than by other authorised vehicle testers in local towns. I do not see why we need to have that differentiation. Costs could be saved there. Certainly we have the situation of very uneven demand in our small towns. I am told by a taxi driver in Numurkah that he has a very high demand on Friday and Saturday evenings to take people to entertainment venues in Shepparton but that the rest of the week is fairly quiet. We need to look at the necessity for a 24/7 service as part of his licence conditions. We need to think about how we can integrate taxis into the community car system that operates in many country towns but only during working hours. It takes a lot of business away from taxi operators, and I think those two services could be partially integrated for an overall community saving.

My time seems to have disappeared very rapidly indeed. Let me simply conclude by commending Mr Bishop for bringing this motion to the house. I commend the government for accepting the motion with the word change that I have just indicated. I look forward to the government now getting on with the job, having acknowledged that we have problems with taxis in country Victoria, and taking some very positive steps to ensure that wherever possible we maintain taxi services in our country towns, because if we do not, we will drive people out of their homes into institutions and that will cost the community a lot of money indeed.

Mr SMITH (Chelsea) — I rise to speak on the motion put forward by The Nationals. I start by saying that in the main I believe they have it wrong again. I get the distinct impression when I listen to members of The Nationals that they are now clearly desperate to demonstrate to their supposed constituent base that only they can represent country Victorians or citizens out in the rural area, and this is just another demonstration of that. If that were so — if only The Nationals could represent people in country Victoria — what is this Country Alliance about? We heard yesterday that this new political party was being established to ensure country Victorians got a better go. That would indicate to me that a number of people out there in the regions simply do not believe that The Nationals are representing them in the way they want to be represented. When you analyse the performance over the last few years of the members for Mildura and Gippsland East in the other place, Mr Russell Savage and Mr Craig Ingram, if you were a betting man you would have to say that the people who flock to the banner of the Country Alliance are more than likely to do over The Nationals in a significant way. I believe they have jumped on this issue as being one for which they can fly the flag for The Nationals throughout rural Victoria. To me it is a sign of abject desperation. They are just desperate men trying to establish some relevance, but I fear it is a matter of too little, too late.

An honourable member interjected.

Mr SMITH — Too little, too late, Comrade! The taxi industry claimed — —

Hon. Andrew Brideson — That is just a cheap shot!

Mr SMITH — I take up the interjection from Mr Baxter, who says it is a cheap shot to have a go at The Nationals.

Hon. W. R. Baxter — I didn't say that.

Mr SMITH — Let me tell The Nationals members that they are going to get a lot more than that from the Country Alliance, so they had better be prepared to bunker down. The fact is that the taxi industry claimed that a 23 per cent increase was justified for its industry. That was strictly an ambit claim, and we know very well what ambit claims are all about. Can honourable members imagine what would happen to this industry if they had actually delivered 23 per cent?

Can you imagine all the young people who will forgo getting taxis after a night out and jumping in their own cars, et cetera. This would be bordering on a disaster for the customers of taxis. A massive increase like that in the bush would have a significant impact on country people, particularly those elderly citizens on fixed incomes. A substantial increase in fares would be extremely difficult for those people. We have heard contributions from those opposite about the difficulties that are faced by elderly people in rural Victoria, people who are trapped in their homes without good services. This would only compound that problem.

The fact is that the Essential Services Commission agreed that 8 per cent was appropriate. Some people complained about that on both sides: some saying it was too much and others that it was too little. Given the fact that it has been a number of years since there has been a reasonable increase, I would come down on the side of supporting 8 per cent. We know that taxidrivers in particular, who are not necessarily the owners of their taxis, are not well paid — and they do work particularly long hours. I read only a couple of weeks ago that a taxi licence was one of the higher performing investment options available to people. I forget how much the taxi licences are now, but they are quite significant in cost. If the industry were doing it so tough, I would suggest there would be a lot fewer people in it. When you consider that a taxi licence is considered in the top five investment opportunities, it is not all gloom and doom.

Hon. J. A. Vogels interjected.

Mr SMITH — I said, 'in the top five'. Mr Vogels should think of another four. He has an hour or so to do it.

The government has clearly indicated that it wants to ensure the viability of this industry. We understand the importance of the service the industry provides in regional and rural Victoria. I did not actually hear the words, but I had the distinct impression that those opposite are really pushing the envelope for some heavy government subsidy to the industry in regional Victoria. It is really good that the Liberal Party and The Nationals are keen to extend taxpayers spending into areas of what they consider is their domain. I just wish they had had the same attitude in years gone by when it came to other services of real importance to all Victorians. The fact of the matter is that you have things like economies of scale where you have few people in small towns spread across the regions. It is not possible to provide the same standards as one might expect here in the metropolitan area. The Nationals and the Liberals will be out there saying that the big, bad metropolitan Victorians — the city-centric government — are not supporting them. But the fact is that you cannot do everything for everyone.

I draw the attention of those opposite to the problems — the dilemma, the disaster — confronted by Aboriginal people on a daily basis in the outback and the far regions of this country where there are very few services. We all know the hardships they confront, whether it be health in particular, education, transport, roads or housing. The reality is we cannot as a state or a country provide all the resources that people would want no matter where they are. In an utopian state we may be able to do that, but the reality is very different.

There are hardships that people in country Victoria endure and one of them is access to public transport, taxi services et cetera. It is a fact of life. They also have significant advantages — for example, less pollution. They live in clean, country air and enjoy a lot of those benefits; they have a calmer lifestyle without the pressures most of us have to endure in the metropolitan area. I have to say that I do not think there is much chance of me moving out to the bush; I quite like it here. It ebbs and flows; there are swings and roundabouts; there are some positives out there and some negatives, and it is the same with us. No matter what we say, we cannot deliver everything that everyone wants across the state. However, having said that, the government agrees that there needs to be a review. That is exactly what we are doing: we are setting in place a review to look at what can be done and what is feasible. The Parliamentary Secretary for Infrastructure, Carlo Carli, has sat down with the

industry, listened to their concerns and agreed that a review was necessary and it is being set up. The Department of Infrastructure's public transport division will listen to people who want to make a contribution as to how this particular issue can be addressed.

The multipurpose taxi program has been a bit of a thorn. People do not really want to come out and say it, but the fact it that this system was being unbelievably rorted. I know personal examples of it being rorted, such as people who go to RSLs. They have driven to the RSL, had a few drinks, and one of them says, 'I have my gold card or my white card. Let's go to the footy, fellas. Let's grab a cab. I have got a voucher'. They then head off to the Melbourne Cricket Ground and it costs them $10 each way'. Normally it would cost you and me about $50 or $60.

Hon. P. R. Hall interjected.

Mr SMITH — Clearly these people, by any stretch of the argument, would not qualify for these vouchers and do not need the support of the multipurpose taxi program. How do they get these passes, vouchers or cards? They get them from doctors, who are handing them out like confetti at a wedding. Doctors say, 'If you want one, here it is'. Let me give you the mail: taxpayers pay for that. This issue had to be addressed. This was blown to that famous house, to use the famous term of Rex Hunt's!

We had to do something about it, and we have. We have reined it in. We have put caps, and in the transitional phase we are now getting to the point where we can finetune it. We have recognised that, and we are increasing the cap to recognise the increase in cab fares. I make this point, and it is a very valid one, that anyone who can justify hardship or the need for an increase or access to the full uncapped services can get it. They simply have to apply for it and justify it. Interestingly not everyone is applying, and perhaps that is because they cannot justify it. W are reining in the costs and balancing it out with people who are genuinely in need of being looked after.

We have also increased the cap from $25 per trip to $30 per trip. I do not know when people on the opposition side of the house were last in a cab, but $30 does not take you very far in the city. I think from memory — —

Hon. J. A. Vogels — We're talking about taxis in rural Victoria here, Bob.

Mr SMITH — Of course we are, that is what the whole debate is about. But the fact is that an increase from $25 to $30 is reasonable by any standard. The raising of the cap for the year from $565 to $1000 for those people who genuinely need it is not only justified but I am sure it is welcomed by the recipients. The taxi operators themselves, like any other business being under the guidance of government, will always claim as much as they can possibly get. As I said at the start, it was an ambit claim. I said good governance and policy is about ensuring that we do not allow distortion in the marketplace, but we also want to recognise, and we have done so, that they play an important part in the social service aspect not only in rural Victoria but in the cities as well for those people who simply cannot get around. It makes me wonder what people did 30 or 40 years ago and how people got around. It would have been extremely different. I suppose families tended to be living a lot closer to each other and there were always ways and means, but that is not the case any more. People are being isolated more and more, people are living on their own more and there is a real need. As I said, that is why we are having a review, and hopefully the review will take care of most of those issues. However, I do not want to raise expectations. We simply cannot deliver the ultimate result that some people want for all these sorts of services. I was at a meeting about services in a particular industry where the welfare lobby wanted everything, but the reality is simply that it cannot be done. Again it is about being responsible as a government.

Mr Baxter said it is a relatively small part of the business of taxis to drive disabled people around or have disabled taxis available under this scheme. My information is that in rural Victoria a significant part of the business is transporting disabled people around. As I say, no-one denies that. We recognise that, and it is all about getting the balance right. The government has set in train the review process and the ways and means of doing just that. Whilst I do not oppose the motion, I have concerns about it, and I welcome further contributions to this debate.

Hon. W. A. LOVELL (North Eastern) — It is a pleasure to speak on this motion today on a very important issue for country Victoria and the electorate I represent. I congratulate the Honourable Barry Bishop on moving this motion. The contributions from the opposition side of the chamber have been very good. I want to raise a couple of points Mr Smith made in his contribution. He implied that the multipurpose taxi program was being abused in country Victoria. It is appalling that he would attack the frail and elderly in country Victoria. His government should be fixing the rorts in the system not penalising the frail and elderly. He also accused country Victorians of wanting subsidised transport. I would like to ask you about the transport system in Melbourne and remind you that we

do not have trains, trams and buses running around country Victoria as we have in metropolitan Melbourne.

The PRESIDENT — Order! Ms Lovell will address her remarks through the Chair.

Hon. W. A. LOVELL — Taxis are an essential service in country Victoria because, as I said, we have very little public transport. We do not have trains, trams and buses to hop on at every opportunity, and we rely on taxis as a primary form of transport. Often taxis are the only form of transport available for the disabled. If taxi services were to close we would also see a rise in the incidence of drink-driving in country Victoria, and that would be an absolute tragedy.

Despite the fact that taxi services in country Victoria do not have competition from public transport, our country taxi services are in crisis. Many have already closed, including one in Nagambie, and we hear reports that the Euroa service is about to close. I have had many discussions with the Rochester service, which is also in difficulty, as are the services in Bannockburn, Winchelsea, Castlemaine, Halls Gap, Myrtleford, Robinvale and Romsey. We need to ask why they are in crisis, especially when they have very little competition from public transport. The snapshot of the Victorian taxi industry in 2005 actually identifies that the average fare a taxi operator in metropolitan Melbourne would take is $18, whereas the average fare for a country taxi is only $8. Obviously with lower populations to service they have significantly fewer people to draw into their service and are taking in a lot less revenue than taxis in metropolitan Melbourne. We have also had a five-year freeze on any increase in fares. Since December 2000 the cost of running taxi services in country Victoria has increased dramatically due to petrol price increases and increases in the cost of maintenance, insurance et cetera. Of course the Bracks government has indexed all fees, fines and charges in this state, so every year on 1 July the taxi services are handed an increase in the cost of their licence fees by the Bracks government, but they are not handed an increase in the amount they can charge in fares. The snapshot also compares the increases in other states over the last five years, and I will just refer to a couple of those. Whilst we see a zero increases in Victoria for 2001, 2002, 2003 and 2004, the increase in New South Wales in each of those years were 4.1 per cent, 4.6 per cent, 4.7 per cent and 2.34 per cent respectively; in South Australia they were 3.2 per cent, 1 per cent, 4.2 per cent and 1.3 per cent; and in the Australian Capital Territory (ACT) they were 5.55 per cent, 3 per cent, 8.59 per cent and 3.16 per cent. As members can see, other states are allowing increases in fares to keep the services in line with increases in their costs and to keep those services viable.

The Bracks government's cruel cap on the multipurpose taxi program has affected country Victorians most. We are reading reports in our local papers of many of our frail and elderly preferring not to use multipurpose taxis because they are afraid they will reach the cap and will not have access to the service when they need it. They are trying to find other avenues of transport and save the fare in case they need it in an emergency. This is affecting not only the taxi services but also the opportunity for the frail and elderly to be mobile, to take their place in the community, to do their shopping, to visit doctors and enjoy their general lifestyle.

We all know the problems that have led to this motion being brought before the house today. What we need to know is whether the Bracks government is listening and whether it cares about these services in country Victoria. I would like to read from a report about the taxi operators meeting held recently here in Melbourne. This article appeared in the *Bendigo Advertiser* of Thursday, 4 August. It quotes Leigh Tait from the Rochester Taxi Service as saying:

> 'The minister (Mr Batchelor) didn't even think we were worth listening to — he was a no-show.
>
> 'I've been going to these sorts of meetings for four years — we tell them all our problems and nothing ever changes.'

The article goes on to state:

> Tim Laurence, an Echuca cabbie, agreed.
>
> 'This is just another big brick wall we've hit today,' he said. 'I don't think there's going to be much done.
>
> 'It's pretty poor that Mr Batchelor was not here. We've been trying to get a meeting with him and Premier Bracks for two years and neither of them could find the time today.'

Our taxi operators have been trying to meet the Minister for Transport and the Premier for two years but neither has given them an opportunity and they could not show up at the large meeting held in Flemington.

In closing I would like to read a letter that appears in today's *Riverine Herald*. It highlights how country Victorians feel about the possible loss of their taxi services. It is headed 'Discrimination' and states:

> My husband and I are both veterans and elderly, and we live 10 miles (16 kilometres) from the nearest town. There is no public transport and we do not drive so we are very dependent on Rochester taxis.

> If the Rochester taxi service folds, as has happened in two or three country Victoria towns, how are we veterans and other elderly people to attend doctors, dentists and other essential medical visits?
>
> This is a busy farming district and farmers are usually too busy to drive the elderly and wait, sometimes up to an hour, to see a doctor. We are not like city folk who could ask a neighbour to drive them as the Labor Party ridiculously suggested to our taxi man.
>
> Our nearest neighbour is a mile from us and they work daily in a big country city.
>
> This is discriminating against country people.

It is signed by Lance and Mary Gibson from Nanneella. That letter sums up how many of my constituents feel about the possible loss of taxi services. I hope the government will take on the concerns that have been raised by the taxi service operators, by the people of country Victoria and by the opposition, and ensure that the taxi services which are so vital to country communities remain viable.

Hon. P. R. HALL (Gippsland) — We are debating a very important issue here this morning and I was really disappointed with the contribution from Mr Smith, who simply derided country Victorians. I thought it was an appalling contribution to this debate, one of the worst I have heard in this chamber. I am sure his contribution will be spread throughout country communities and he will feel the wrath of country people in response to it.

Let me start by reminding Mr Smith of some facts. He spent the first couple of minutes of his contribution talking about Country Alliance and how it poses a threat to The Nationals, and in some way suggested it was formed simply because we are not doing our job. I remind Mr Smith, through you, President, that Country Alliance has been formed out of sheer frustration with decisions made by the Bracks Labor government. It was not formed during seven years of Liberal-National coalition government. It was formed only after toxic waste dumps were proposed for country Victoria and mountain cattlemen were banned from grazing in Victoria's high country. Those things and a plethora of other issues which are frustrating country communities have led to the formation of Country Alliance. It is out of frustration with the Bracks government that this new political party has been formed. Mr Smith is very misguided in the views and comments that he put to this chamber this morning. I welcome Mr Viney and others in the government indicating that they are prepared to support this motion but I wonder where exactly Mr Smith stands on it because he seemed to be playing politics with what is a crucial and important issue in country Victoria. It was a very disappointing contribution.

I congratulate the Honourable Barry Bishop for moving this motion this morning, and I thank members on both sides of the house for indicating their support for this motion. It is an issue of utmost importance for country communities. I was heartened to attend a dinner in Traralgon on Saturday night where one of the attendees came up to me and said, 'You Nats are the only ones having a real go on this taxi issue, aren't you?'. I said I thought we had plenty of support from the Liberal Party on this issue. I was not sure of the support we were getting from Labor but if there is an indication of support here this morning, I welcome it.

It is true that country communities, both taxi services and the communities at large in rural Victoria, are looking for a bit of help on this issue because this service is vital to the wellbeing of those country communities. It is essential that we put in place measures to ensure that these services are able to continue to serve the needs of those communities. There are some real problems and issues confronting the industry out there. I understand that three taxi depots in country Victoria have closed down already this year. I am also aware that Bright taxis are under a lot of pressure at the moment — some have indicated to me that they are about to close down. In my own electorate I am aware that the service serving the communities of Foster and Welshpool is under some financial pressure. They are not the only ones: taxi services right around my electorate, and indeed right across country Victoria, are similarly experiencing some severe financial problems. They need support from this government. They are deserving of the support and it is quite within the capabilities of this government to give them that support if there is a will to do so.

I want to go back to Mr Smith's contribution. He said we simply cannot provide all services to all people and particularly those in country Victoria because the size of their communities means they do not have the economies of scale to provide those services. That is an absolute derision of people who live in country Victoria. They would feel justifiably insulted by those comments. Country people do not come here bleating and wanting everything. For goodness sake, we put up with a lot less service than people in the bigger towns and particularly the cities. We just want some of these decent, basic services for these communities. One of those services is some form of public transport. People in country Victoria do not have the luxury of those in Melbourne who have a good network of public transport through a train system, a bus system, a tram system and even a taxi system. There is that form of

public transport in Melbourne but that is not the case in country Victoria. We have trains running along major rail networks into country Victoria but they do not provide a radial service so there are very limited opportunities for people to travel. In addition, there might only be six or seven trains a day at best on some of those services — it is not like in Melbourne where you have a tram every 10 minutes on every route or a train every 10 or 12 minutes on particular routes. People in Melbourne have great opportunities to utilise the public transport system, people in country Victoria do not. They do not all have trains. There are few bus services unless you are in a major regional town and there is not that frequency of intertown bus services. Taxis are about the only form of public transport many rural communities have access to.

Mr Smith says we cannot subsidise and provide all those services. I say to Mr Smith and members of his government who might share his view that this government, and previous governments, have provided a wealth of subsidies and support to the public transport system in Melbourne. Millions and millions of dollars go into subsidising train services in the metropolitan system, tram services and bus services every year. It is true that a subsidy is provided for the operation of country train services and some country bus services but they do not provide public transport options for all people who live in country Victoria. The Nationals have said very clearly that this government needs to put a bit more subsidy into the operation of taxi services in country Victoria because in many instances the taxi is the only public transport system available in these country communities. If it is good enough to heavily subsidise public transport in Melbourne, then it is good enough in to do so country and regional Victoria. Greater efforts should be made to address those issues.

This motion calls on the government to immediately implement measures to ensure that regional taxi services continue to provide services to meet the needs of the communities.

Let me say that I welcome the indication from Mr Viney that the government will support the motion, which by implication says it will immediately look at ways to assist the industry.

I will refer to some of the ways that the government can easily do that. I refer first to wheelchair-accessible taxis, which are important, as even Mr Smith acknowledged, for people in country Victoria. The metropolitan area has 199 wheelchair-accessible taxis, but in country Victoria, including Frankston and Dandenong, there are 117 wheelchair-accessible taxis. It is of interest to note that the 199 taxis serving most of Melbourne, excluding Frankston and Dandenong, received a subsidy of $100 every 28 days per vehicle, or $1300 a year. They also receive $3.30 for every phone booking and the operator receives $1 a kilometre after the first 4 kilometres for the operation of that service. Those figures apply to the 199 wheelchair-accessible taxis in Melbourne. That support is not given to the 117 wheelchair-accessible taxis outside Melbourne or to those in Frankston and Dandenong. No wonder Mr Viney is prepared to support the motion. He would agree that the wheelchair-accessible taxi services in Frankston deserve the same support as the wheelchair-accessible taxis in other parts of Melbourne. We say that the wheelchair-accessible taxis in country Victoria deserve the same level of support as well. At the moment they do not.

The minister does not even know that they do not receive that subsidy. I refer to a transcript of an interview with the Minister for Transport in the other place, Mr Peter Batchelor, on the ABC Gippsland radio station on 3 August. The presenter, Kathy Bedford, made this comment to the minister:

> There's an additional subsidy that city operators get for callouts of that multipurpose taxi. I think it's $3.30 per call and $1 per kilometre. I can't understand why that doesn't exist in country Victoria.

The minister responded:

> I'm not aware that there's different rates applied to the operation of the multipurpose taxi scheme.

Kathy Bedford said:

> Would that seem to be unfair, if there's a subsidy in the city that's not, doesn't exist in the country?

The minister replied:

> Well, I believe the subsidy to the multipurpose taxi scheme is the same in country Victoria as it is for Melbourne. There's a lot of things that are said that don't quite meet the facts …

There are a lot of things that Mr Batchelor has said that do not quite meet the facts. The fact is the minister does not even know that country multipurpose taxis do not receive the same level of subsidy as those operating in Melbourne. It is direct discrimination against the good taxi operators in country Victoria who strive to maintain services for people with disabilities. They deserve the same level of support. The replacement of wheelchair-accessible taxis costs about $90 000 compared with the normal replacement taxi of about $30 000. Proportionally per head of population there are a lot more wheelchair-accessible taxis in country Victoria, but they need to be replaced and there should

be greater government support for the replacement of those taxis.

I refer to the fare structure. I think the 8 per cent fare increase was more than overdue, but it certainly did not meet the needs of many of these services in country Victoria that are struggling to continue to provide the service. Over the last period of four years this is the first fare increase provided to taxi operators. Over that same period public transport fares have gone up by around 30 per cent. Average weekly wages have increased about 24 per cent over that period. Taxis operators have had no increase until the recent announcement by the government of 8 per cent. On a fare basis that increase is not appropriate.

I talk about community transport, because there is an issue in country Victoria about competing interests of the government in providing community transport vehicles as opposed to taxi vehicles. I have nothing against community transport vehicles. They serve a worthwhile function in the community, but the government is subsidising them excessively when compared to the small subsidy provided to taxis through the various programs like the multipurpose taxi program. If the government wants best value for the dollar it should take a serious look at the impact of government supported and sponsored community transport vehicles as opposed to the efficiency of paying existing taxi services the option of delivering some of those community transport functions. This is a serious issue that needs to be looked at.

The hours of operation of taxis is another issue — and it is a cost-neutral issue — that the government could immediately implement. When you have been awarded a taxi licence I am informed that you are required to provide a service 24 hours a day, 7 days a week. That is impractical and certainly financially difficult for country operators to provide. It would be easy to allow taxi licence-holders to limit their operation, particularly during the week, in the early hours of the morning so they do not have to be on stand-by 24 hours a day, 7 days a week and merely work when the service is required. This is a measure where we can look at the conditions of the taxi licence and alleviate some of the burden on taxi operators without additional cost to government.

The last point I mention is the issue of advertising on taxis. This government is hypocritical in its approach to advertising on taxis. While it was quick to ban advertising on taxis in Victoria, it was only recently that the Minister for Commonwealth Games, who is in the chamber, authorised an advertising program on London black cab taxis advertising Melbourne's Commonwealth Games in 2006. Extensive money is being spent on that advertising on London taxis, but in Victoria the poor taxi operator is not allowed to have any advertising at all. This is again a cost-neutral measure that would assist taxi operators in meeting their financial obligations.

The last point I make is about the promised review of country and regional taxi services. It cannot come quickly enough. We cannot afford to sit around here for a period of some months while the government goes through an extended review. Its record on the conduct of reviews is not crash hot in terms of getting quick and appropriate resolutions to the reviews. We cannot afford to sit around for months waiting for another review. There needs to be an immediate response from the government to assist country taxi services. They are absolutely vital to the communities they serve and the communities The Nationals represent.

The motion today calls on the government to act promptly and immediately respond to some of these issues. I think the government is capable of doing so. I have referred to at least two issues that are cost neutral and could be implemented tomorrow if there was the will. I close by thanking the government, through Mr Viney, for its indicated support of the motion, although after Mr Smith's contribution I think that support is guarded and from what he said I cannot see that he has any empathy or serious support for the taxi industry in country Victoria. I take Mr Viney on his word that generally the government acknowledges there are issues that need to be addressed. I am thankful it is prepared to support the motion. I again say this is a critical issue that needs the support of the chamber. I congratulate my colleague Mr Bishop for raising the issue this morning.

Hon. S. M. NGUYEN (Melbourne West) — In speaking on the motion I indicate that the government is committed to providing country services in regional and country Victoria. We know there is a need and some concern for the taxi industry in regional Victoria, which is why we will respond. Taxi operators are running a private business and they need to protect their industry. At the moment everything is expensive. Everything is going up especially fuel. The price of petrol is higher than before. It is not an easy business. I talk to taxi drivers nearly every week and they have told me how hard it is to run the business these days — that it is very competitive, with long hours, and that they need the government to look at increasing fares.

The government has responded to the recommendations of the Essential Services Commission. The government has to listen to the community and industry. The

recommendation was to increase taxi fares by 8 per cent from 10 September 2005. This is the first increase since 2000, which was five years ago. The government has agreed that in 2006 and 2007 taxi fares will increase according to the movement in the consumer price index less 1 per cent, as recommended by the ESC.

The Victorian Taxi Association put a recommendation to us to increase fares by 23 per cent. That would be too expensive for public users. We want to control the price of fares so they are affordable. Companies that run taxis must be able to make a profit or they will go out of business. That would not be in the interests of the community. In country Victoria people rely on taxis; they do not have transport as good as in metropolitan Melbourne, where there are trams, trains and buses. The government wants to control prices as well as ensuring that public users have a good service.

The government has put on a cap to make sure the costs do not go too high. The fares will increase from $1.31 to $1.41 per kilometre and the flag fall will rise from $2.80 to $3.00. Compared with other states in Australia, fares in Victoria are not expensive. These fares will increase from 10 September 2005. The annual cap applying to multipurpose taxi program (MPTP) members will increase from $565 to $1000; the trip cap will increase from $25 to $30. The government is very concerned to make sure the people working in the taxi industry get reasonable pay when they provide a service to public users.

It is important that wheelchair-accessible taxis (WATs) be available to disabled people.

Hon. D. K. Drum interjected.

Hon. S. M. NGUYEN — We are doing something about it. There are 127 non-metropolitan WATs operating in the country. In 2004–05 174 000 wheelchair jobs were taken in the metropolitan area and 222 000 in the country. This compares with 4.6 million MPTP trips overall for the same period. We care. We encourage taxis to provide wheelchair access for disabled people. The taxi depots are paid a booking service fee of $100 for each WAT in the depot as well as $3.00 for every job despatched. These payments are for additional communications systems and specialist staff who are trained to deal with people with special needs including those with speech and intellectual impairments. That is the record the government has achieved.

We are keen to look after the interests of the regional community. There is a big need there. The state government will do what it can to improve services in those areas, not only for taxis but other services such as education, health and so on.

Hon. D. K. Drum — You are doing a good job with hospitals!

Hon. S. M. NGUYEN — Yes, we are doing a good job. We want to make taxis more accessible so people can catch public transport. We do not oppose the motion because of the negotiations between the government and The Nationals. The government agrees to the amendment to omit 'crisis' and insert 'problems'. We are working to ensure services to country Victoria are even better.

Hon. DAVID KOCH (Western) — I congratulate the Honourable Barry Bishop for moving a good motion which picks up on what I would see, and what I am sure everybody on both sides of the house would see, with the exception of Mr Smith, as an important issue from the point of view of rural transport.

In many cases taxis in our small communities are from the one taxi service and not multiple services, but they make an extremely valuable contribution to transport needs in our small country towns. We all recognise that historically, or certainly in the last decade or two, we have had an opportunity in our small communities for government-funded community cars, which Mr Hall touched on. They also make a central contribution to our transport needs, but we must appreciate that they do not offer a 24 hours a day, 7 days a week service such as taxis. They are operated by volunteers on a roster system and those rosters on some occasions are very hard to fill.

It is important to recognise the contribution that our taxi services make to our communities. Mr Philip Davis also picked up on the fact that these taxis do not necessarily carry passengers. Many people, especially the aged in our community who have a need for a service, are prepared to use a taxi, which they have prearranged, to collect groceries. Taxis assist with the collection of prescriptions from the local chemist when the elderly person calls the doctor and the doctor sends the prescription to the chemist. The elderly have an opportunity to use a taxi service to bring those benefits to them without having to leave their homes. There is no doubt that taxis make a valuable contribution.

We have a disabled taxi in Hamilton with more than one car. That also makes a marvellous contribution because it gives people the opportunity to get out and about which they would not do otherwise. We are all concerned, and it has come up in debate this morning, that there is a lack of assistance and support from government for the replacement of those vehicles,

which are at some considerable cost above a standard taxi — something of the order of three times.

The limitation that was earlier put on the multipurpose taxi program has moved from the very limited $565 and is now capped at $1000. That is a welcome change. At the same time it should never have got to the situation where people became housebound, prisoners in their own homes, in fear that they would run over the top of that cap of $565. I strongly believe that should be restored to an uncapped status and, as we heard this morning, that will be the case when we return to government.

One of the other areas that came to my attention, and I am sure came to many other people's attention, was advertising. Mr Hall said that this government has two standards in relation to advertising in that we cannot have it in Victoria but the government is happy to assist the London cabs with its Commonwealth Games promotions and is spending thousands of dollars in a campaign with advertising on the black cabs. The advertising did not bring in a lot of money but it assisted with the purchase of tyres and a small amount of fuel. Also local retail businesses and business houses, especially accountants and legal companies, gave a small amount of support to these taxi companies in their day-to-day operations.

Disappointingly, if something is not done, especially with the later increases, we will lose a lot of these services in the Western Province. Unfortunately we have lost single car services at Bannockburn and Winchelsea. We have many single car services. It is an absolute credit to those who run the 24-hour services in their community. Without these people many of the users would be isolated and would not have these opportunities.

The increases that have been offered by the government are very limiting compared to what was requested. The first rise in four and a half years of 8 per cent is on the pathetic side. It will go some way to restoring some of the viability in the taxi companies, but further increases and this review that is supposedly to take place, as Mr Viney mentioned this morning, would be most welcome.

It is important that support is given to this motion. If at a later date there is a country taxi service review that is separate from the metropolitan review, then that should be explored.

Hon. D. K. DRUM (North Western) — I take great pleasure in congratulating the Honourable Barry Bishop for introducing this motion. I also appreciate that the government has chosen not to oppose it. It is interesting that this issue has been boiling along in so many small towns throughout country Victoria for some months, particularly with closures in smaller towns where taxis are no longer available, such as at Orbost, Mallacoota and Euroa. There is a real threat that taxi services will be lost from other small towns, such as Nagambie which has been mentioned as being under threat. Warracknabeal is another town that is under threat. A gentleman by the name of Russell Crowe is the sole taxi operator there.

The smaller places will continually be under threat of losing their taxis if we do not do something about making it more productive and more economically viable for them. Effectively this whole debate comes down to the economic viability of taxis in not only our smaller regions but some of our larger regions. This debate is also heavily slanted towards making it economically viable for those taxi operators to operate wheelchair-friendly taxis. This debate also spins off into the multipurpose taxi program which the government introduced only last year. In an endeavour to supposedly stop the rorting of the system it decided to come up with a system which will effectively further alienate people who rely on and need a multipurpose taxi program.

Under the old structure, the old system, it was always well regulated because the individuals had to always come up with half of the fee. There was no doubt that the needy people were ever going to be rorting the system because effectively they had to come up with half the fee themselves. I think that very basic fact was lost by the government when it instituted the ridiculous multipurpose taxi limit which capped the program at some $40-odd million. It certainly did not realise it would create the outcry it did. When we put initial concerns to the government it did not want to hear about it. But all of a sudden, when it became a public issue and started getting some traction out there in the media, this government proved that it will not be swayed by what is right or what is wrong. It did not care too much about righting the wrongs it put in place; it simply cared that once the issue became public and some negative press was generated it had better do something about it. It reorganised the criteria for those people who were able to jump through the respective hoops to qualify for the multipurpose program; it fixed that up and changed it a little bit by allowing another thousand-odd people to qualify for inclusion in the multipurpose taxi program.

When the government realised it was one of the most abhorrent policies it had introduced in this term of government it tried to relax the criteria some more. But

it has missed the point altogether. If it wanted to fix up some supposed rorting that was taking place on behalf of some in the taxi industry, it could always have done that, right from day one, by linking the EFTPOS machines in the taxis to the meters and therefore not allowing for any of the rorting that was supposed to be occurring. It could have done that rather than going down the other path of further impacting on people who have a genuine need to use the multipurpose taxi program by creating hardship for and further discriminating against them. This cut in the availability of the multipurpose taxi program has had a genuine impact on so many of our taxis, especially during daytime hours. These taxis that are now crying out for a little bit of assistance are effectively being punished in their ability to earn their respective wages and salaries in daytime hours.

The points about the replacement costs of wheelchair-friendly taxis and the discrimination that exists there have been well covered by Mr Hall. I refer to the ignorance of the minister in not even realising the discrimination that exists at the minute with the flagfalls and penalty fees applicable to call-outs in the metropolitan regions versus the country regions. It is absolutely amazing that the minister was unaware of this. The issue had been on the front pages of papers in regional and small towns for some months, but the minister went on the ABC being totally unaware that the discrimination exists.

The recommendations put forward by the taxi industry in Bendigo refer to concern about the fact that local government and the state government, through the home and community care scheme, are actually competing against small taxi businesses in country regions. We need to understand this. The minister said that country taxis will not be subsidised because they are private businesses. But these private businesses are not operating on a level playing field. They are operating against government-backed small buses. We need to understand that if local government and the state government were able to involve the taxi industry in the running of some of these community buses, far greater work would be able to be generated. If they did not just take people to a service in the morning and take them back again in the afternoon but were actually under the control of the taxi industry these vehicles could be working hard all day and every day. That would certainly be a way where everybody would win, at no cost to the government, and a commonsense approach for this government that has all of a sudden decided that it needs to get involved in this issue — not to fix a wrong, but only to avoid some negative publicity.

Hon. BILL FORWOOD (Templestowe) — I rise to speak on this motion. I for one am surprised that the word 'crisis' by agreement has been taken out, because there is no doubt that what is happening in the country with taxis is a crisis. I, together with Carlo Carli, the member for Brunswick in the other place, were the only members of Parliament who attended the Victorian taxi industry meeting at Flemington 10 days ago. It was a heartfelt meeting. In some senses I commend Mr Betts, the head of public transport, who, when he was asked, 'Does the government regard country taxis as public transport or are they, as Minister Batchelor says, a private business?', said, 'I am in charge of public transport in this state and I am here, so interpret that the way you want to', and later gave a commitment that he would recognise the problem and would do what he could quickly.

I was pleased to hear that, because the reason country taxis are in the parlous state that they are is due to the appalling disinterest by this government. It is apparent that late in the day the government has been dragged kicking and screaming to at least try to do something, but its commitment to do something at the moment is nothing more than another bloody inquiry. Another inquiry! When will the government actually do something?

I sat at the meeting and listened to Stephen Armstrong from Ballarat, and Carmel Giddings from Morwell and Joe Basten and Hans Zoenfeldt. I listened to taxi people from Frankston, to Jenny from Sale, to Doug from Castlemaine and to David O'Donahue talk about the parlous state of the taxi industry.

Ms Hadden — Was the minister there?

Hon. BILL FORWOOD — No, of course the minister was not there, and the minister refuses to meet with them! For two years they have been asking to meet with the minister. But no, Mr Batchelor says they are a private industry and does not want anything to do with them. Carmel Giddings told the meeting that three depots closed this year, nine are on the verge of closure and that the survival of country taxis was in question. We have heard from other members today all the reasons why.

Joe Basten gave a very heartfelt contribution. He said, 'We are all trapped. There are deaths, walk aways, bankruptcies. We are very stupid businesspeople because we care for our communities. We operate from the heart for our communities' — and he gave a list of the things that country taxis do in their communities. Yet they are in a parlous state because of the inaction and disinterest of this government. What needs to

happen is not another review. What is required is some action. What was good about the meeting? Although there were a lot of people there, and they were very angry, what was good about the meeting at the Flemington racecourse was that they were coming up with specific suggestions.

Mr Baxter talked about the fact that Premier Kennett took advertising off taxis. As far as I am concerned, country taxis should have advertising back tomorrow — and that is a pretty simple decision. Anyone could make it. The minister could make it. But no, he said, 'This is a matter that the Essential Services Commission will look at'. But it did not do that, so no-one has looked at it. If you wanted to give more revenue to a country taxidriver tomorrow — and it could be tomorrow, if the government were prepared to do something, that is one of the things it could do.

Let us talk about the depots. Can somebody explain to me why a city depot gets subsidised but a country depot does not?

Hon. W. R. Baxter — Good question.

Ms Hadden — That is what they asked the minister.

Hon. BILL FORWOOD — But no-one has told me the answer. All I want is the answer. I do not need an inquiry to give me the answer. There has to be a reason. Why do we not fix that particular issue?

Let us talk about the taxidrivers, particularly the one in Heathcote who sits there on a Friday afternoon. The community bus drives from Bendigo, picks up the people, takes them to do their shopping — while he sits at his taxi rank — and then drives back to Bendigo. You tell me about a cost-benefit analysis. Is it better that we provide some assistance for the people in Heathcote to use the taxi service to do their shopping, or should the government fund a bus to drive empty from Bendigo and empty back to Bendigo — just to do this particular job and take away the capacity for a taxidriver? That one, it seems to me, could also be fixed relatively easily, and Mr Koch made some suggestions about how that might be. We are not facing an insoluble problem. This should not be difficult to fix.

Mr Pullen — What about the bus driver you sacked?

Hon. BILL FORWOOD — Thank you very much! What about the bus driver that we sacked? At the moment we have country taxis going out of business to the detriment of their whole communities. The whole community is losing out because of this government's inaction. Our union mate over there goes back to his roots every time and only cares about the drivers.

Honourable members interjecting.

Hon. BILL FORWOOD — I always know that I am getting through to the members when they lose their blocks at me. All we get is the volume and no content at all.

I put it to you, President, and through you to the house, that this government, if it knew what it was doing just a modicum, just a little bit, would not have the member for Brunswick in the other place, Carlo Carli, trying to fix this matter up. The Premier might take it on, or even the Minister for Transport in the other place might take it on. It does not take a lot to fix. I look forward to Mr Betts getting on with his review. I look forward to the government doing something — please, please! — for country taxis. I commend The Nationals for bringing this issue before the house. It is an important issue.

Mr Smith — It's a stunt!

Hon. BILL FORWOOD — What I object to more than anything is honourable members in this place describing a motion like this as a stunt. Mr Smith would not be so slick if he had listened to the taxidrivers speaking at Flemington, as I did, and heard their stories about what was happening in their communities, heard about the families working virtually 24 hours a day and sleeping in front of the dispatch because they no longer have the capacity to pay wages. And why is that? It is because of the common-law changes, because of the wage bills going up $20 000 — —

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

Mr SOMYUREK (Eumemmerring) — In rising to speak on this opposition business I think the opposition has got it right when it says there is a problem with taxis in some parts.

Hon. Bill Forwood — Good on you, Adam. Come over, mate!

Mr SOMYUREK — I won't come over yet. Let me start with the taxidrivers themselves. It is a hard life being a taxidriver in a metropolitan area. I admit I do not know much about the country taxidrivers, but I assume their life cannot be much easier. You only need to go outside tonight at about 6 o'clock or 6.30 and you will see taxidrivers lining up all the way from Collins Street and going into Spring Street. That is not legal, and I presume they get fined for parking there,

but the fact is they are lining up because they want to pick people up. As previous speakers have said, they are working for very little money, and I assume taxidrivers in country Victoria are in the same boat.

As I see it, one of the problems with prices in the taxi industry began during the Kennett era. Whereas previously only taxidrivers — people with a taxi licence — had been entitled to purchase a taxi numberplate, that requirement was lifted. Overnight, speculators and investors came into the marketplace and purchased taxi licences en masse, and the prices of taxi plates skyrocketed. In the space of a few months taxi plate prices went up, I would say, about 100 per cent. Since then standards have dropped a fair bit.

Country taxis obviously play a major role in regional Victoria, especially as there are very few public transport alternatives. Taxis are private businesses and are ultimately run for profit. The owner is in there for his profit, and so he should be. The driver works to make a living, so it is not a community service. Let us not confuse taxis with community services. Community service is a good thing, but in this case taxidrivers are people who are trying to feed themselves.

The government has a strong interest in making sure the taxi industry is functional because it provides a niche service, especially in country Victoria. As a government we agree that a review of the structural issues of taxi operations in regional Victoria as recommended by the Essential Services Commission (ESC) is required,. I am informed that the director of public transport and the Parliamentary Secretary for Infrastructure, the member for Brunswick in the other place, Carlo Carli, met with country taxi operators recently to hear the issues and clarify their concerns. This will inform the review, which will be undertaken by the Department of Infrastructure. The department will draw on advice from the ESC or Victorian Competition and Efficiency Commission (VCEC) in specific areas where that is appropriate.

During this debate members have confused the concept of wheelchair taxis and the multipurpose program. They are clearly two different things. Wheelchair taxis are just that — they are there to provide a service for those citizens who require wheelchair access. There has been a problem which the government has recognised. The government has paid extra fees to depots so that wheelchair taxi operators will pick up the people who need to be collected.

Hon. W. R. Baxter — Why are the extra fees not paid in the country though?

Mr SOMYUREK — The government should not have to do this — wheelchair taxis were brought in initially to pick up people in wheelchairs — but the government has chosen to give an extra inducement for this service. Too many multipurpose taxis wait for large fares at the airport and sometimes give priority to passengers arriving with lots of luggage who would otherwise require two taxis, but that is not why they are there. They were introduced, I think, during the Kennett government's time in office to provide a service to people with wheelchairs. I am not sure about whether those inducements are available to country Victorian taxis.

Hon. W. R. Baxter — They are not available to country taxis.

Mr SOMYUREK — I would say that needs to be looked at, because surely they face the same issues.

Regarding the multipurpose taxi program, or the M40 program, and the reduced taxi fare, as a result of the ESC's recommendations the government is increasing the cap from $525 per year to $1000 per year — that is a very good thing, and I know Mr Drum has consistently spoken on this issue — and is increasing the cap on individual trips from $25 to $30, effectively increasing the total fare from $50 to $60, which is a very positive development.

Another positive for taxidrivers is an increase of 8 per cent in taxi fares. It is the first increase since 2000 and 8 per cent is a fair enough amount. We have got to make sure the 8 per cent goes to the people who need the money — that is, to the taxidrivers. We need to induce people to go into the industry because there are not enough taxidrivers at the moment. A lot of taxis are parked in suburban streets in front of their owners' houses waiting to be driven because there are not enough drivers. Increasing the remuneration of taxidrivers will assist in bringing more taxi drivers into the industry. I know this is a problem in country Victoria, so the increase in fares will also help attract more taxidrivers to drive taxis in country areas too.

Ms HADDEN (Ballarat) — I rise to speak on this very important motion, and I congratulate the Honourable Barry Bishop for bringing this issue into the Parliament. I want to thank The Nationals for giving me some of their valuable time in this debate for what I consider a valuable contribution on this motion this morning. I also thank the Liberal Party for likewise giving up some of their valuable debating time to enable me to make a contribution. As an independent member and country member in this place I have to say it is a terrible shame that the Bracks Labor government

members on my left have not seen fit to give up some of their valuable time to enable me to extend my contribution, because I certainly have plenty to say about the problems and crises being experienced by country taxi operators in country Victoria.

This issue has been in existence for at least the two terms of this government — it has been there at least since 1999 — and it has taken the Honourable Barry Bishop to serve it up to the government. This government continues to listen to and represent all Victorians with its perpetual ear muffs and bulldozers! The government prattles on about Victoria being the best place to live, work and raise a family. That is fine if you live in metropolitan Melbourne. If you live in country Victoria it is damn hard — —

Mr Viney interjected.

Ms HADDEN — I will pick up Mr Viney's interjection. When I am not in this chamber I am in my room preparing my work, President. I have the speaker on and I hear every word that is said in this chamber. The government prattles on about this being the best place to live and raise a family, but I repeat that that is fine if you live in metropolitan Melbourne but it is not fine if you live in country Victoria. Country taxi services are doing it hard. Over recent weeks we have heard that there are problems and the industry is in crisis, yet Minister Batchelor in the other place has got his head in the sand as usual — or he has got his head in a toxic waste dump. The minister says there is no problem and that if there is, this being a private business, it should be sorted out by the business on commercial principles. The minister does not say that to the Melbourne taxi operators does he? The taxpayer funds those operators to the exclusion of country taxi operators.

Mr Bracks and the Bracks Labor government promised to govern for all Victorians. That is another broken promise. It is governing only for its city seats and metropolitan Melbourne. We have heard there is to be another review by the government into the issue of the parlous situation country taxidrivers are in. How many reviews has this government had? It has had hundreds and hundreds. And who is going to run the review? Are they experts? I am assured by taxi operators in my electorate that if we leave it to Mr Jim Betts, the public transport director, he will do an exemplary job so long as he does not have his wings clipped by the minister. The problem is that the Premier said in the other place last week a review would be done in the future. I am getting mixed messages. Is it in the future we are going to have the review of the plight of country taxi operators or is it now? I suppose the answer to that is that we will wait and see.

All country taxi operators want is equity and parity with their Melbourne counterparts. That is all they ask. It is not too hard, not too big an ask; but they have not had it and they may not get it, judging by the mean-spirited nature of the Bracks Labor government.

It took the Essential Services Commission to do a review of taxi services in country Victoria, to its great credit, and I commend it for its pertinent recommendations aimed at helping country taxi operators. It was only then that the Bracks Labor government's Minister for Transport in the other place, Peter Batchelor, came to the fore. It was only then that the government announced that it would increase the trip cap from $25 to $30, and only then that it said it would increase the annual subsidy cap from $550 to $1000 for multipurpose taxi program (MPTP) recipients. Minister Batchelor has certainly been dragged kicking and screaming to the gate, as he usually is, and it took the Essential Services Commission to recommend and spell out to the government that there are real structural issues and differences between country taxi operators and Melbourne metropolitan taxi operators. Hello, hello, is anyone at home, Minister Batchelor? Minister Batchelor has left the house — like Elvis left the house!

The Essential Services Commissioner has done a pretty good job and has certainly stood up for country taxi operators, which is vastly different from what this government has done. As I said it has been dragged kicking and screaming to the gate to do something, and now the Premier says, 'in the future'. We have heard Mr Viney announce on behalf of the government this morning that the review will be done now. Where are the terms of reference? We should all be given a copy of the terms of reference of this review, and every member of this place should be kept up to date as to exactly what the government does with the review.

Back in 2003 the government statistics in relation to the multipurpose taxi program showed that the local government areas with the highest annual subsidy per member under the MPTP were Greater Geelong, Darebin, Manningham, Moreland and Boroondara — not too much of country Victoria in that lot! The government statistics also said that the local government areas with the lowest annual subsidy per member under the MPTP were — wait for it! — French Island, Ararat, Buloke, Hindmarsh and West Wimmera. Less than two years later we have taxi services going out of business in Euroa, Orbost and Mallacoota, and there are dozens of other country taxi

operators about to close their taxis, lock them up and put them in their sheds. All these other country towns are in jeopardy and under immediate threat of losing their taxi services.

I am sure members have all heard 'Give us back our taxi, Bracksy!'. I repeat it, 'Give us back our taxi, Bracksy' — and I add 'to country Victoria'. That was the message on a flyer back in December last year inviting all members of Parliament to attend the COTA — Council of the Aged — rally in the city outside the Myer Christmas windows. It stated that older people were being disadvantaged by the new arrangements for subsidised taxis for people with disabilities, and it asked everyone to make a stand and take the message to Premier Bracks to, 'Give us back our taxi, Bracksy!'. The Council of the Aged said in its letter to members of Parliament:

> Consider how you will spend the next two weeks, and then think about having only 6 kilometres transport access per week. Imagine you live alone, as many older people do, and that your health is compromised.
>
> Then ask yourself is this the way a government should support some of the most disadvantaged people in its community?

It certainly is not, but as I said, this government is only interested in the city and metropolitan Melbourne.

Ballarat Taxis has been very vocal over a number of years about the difference in the subsidies and conditions and assistance that country operators receive at the hands of this government. All they have asked in their correspondence to me and in their representation at the public meetings recently is that they want equity and parity with their Melbourne counterparts. I have received correspondence from Mr Stephen Armstrong, chairman of Ballarat Taxis, on 25 July this year and I have sent a copy to both the Premier and Mr Batchelor so that they would personally see the extreme difficulty which Ballarat Taxis and its operators are experiencing because of the lack of parity and equity between Melbourne operators and country operators.

I have dozens of examples here in my research of disadvantage and inequity and disparity between the country operators of taxis and Melbourne operators. There are two in particular to which I will refer. An article in the Ballarat *Courier* of 4 August announces that 'Taxi services may be cut'. The article says that if the state government does not offer more assistance taxi services will be cut in Ballarat and the surroundingdistrict. The taxi service representative welcomed the response of the state public transport director, Jim Betts, who had agreed to review the situation because he had not realised the parlous state the country taxi operators were in. He obviously had not been advised by the minister or his department. He promised to do that. I am pleased that the government has come in here today to confirm that it will allow Mr Jim Betts to do a review of the issues raised.

It was interesting in this article in the *Courier* that the transport minister said that the government was trying to help country taxi operators. It states:

> However, Mr Bachelor said country operations were run by private businesses and it was up to the people who operated them to make the correct commercial judgment.
>
> He said the government would review country taxi services.

He did concede, however, that he was very concerned that country taxidrivers were not receiving their fair share of the taxi fare. Here he goes — off on another tangent. Mr Batchelor should show leadership and responsibility and stand up and be the minister. He should look at the disparity and inequity between country and metropolitan Melbourne taxi operators because it is clearly there — and it has been there for a number of years.

I also refer to an article headed 'Taxi service in jeopardy' in the Ballarat *Courier* of 12 August. This concerns a local taxi service at Creswick run by a husband and wife team — a fantastic couple — Amanda and Grant Pascoe. They run the taxi service for the community. It is a community service as well as a private business, but it does not receive the subsidies and specialist assistance that the transport minister and the Bracks Labor government give to its Melbourne counterparts. The Pascoes said that they do not know how they are going to keep going and they face an uncertain future. They need to replace one of their taxis next year and do not know financially how they will do it. They said they operate 7 days a week, 24-hours a day.

The Pascoes believe that the state government is out of touch with how tough it is for country taxi owners and say that although they are a private business they are heavily governed and regulated by the government who tell them what they can and cannot do. This couple attended the public meeting last week, but Mr Pascoe was only able to attend for part of the time, because he had to go back and run his business. He said that he could not afford to be in Melbourne all day for the meeting. I am sure that he was not alone in that. There would have been dozens, if not hundreds, of country taxi owners in similar circumstances. Mr Pascoe said it was tough enough to compete with the bigger taxi services, let alone their Melbourne counterparts. He said that the state government had also put a stop to

advertising on the back of taxis which was a huge impost and blow to country taxi operators who relied heavily on that small extra income to enable them to provide a very valuable and essential service to country Victoria.

I say to the minister and the government: heed the warnings of Ballarat Taxis and Creswick Taxi Service and all those other taxi operators around country Victoria. It is no good having its review in the city and calling people down to talk to the government in Melbourne, because these people are running businesses and are an essential service. They have to be on the road to make a living and to pay all the fees and charges that this government imposes on them. What those conducting the review ought to do is to jolly well go out to these major centres, speak to the people and see at first hand what happens. But the government does not like to do that. That is a bit too hard. It might have to give some honest answers when good country people ask good country questions, which is something this government has shied away from, especially during its second term.

I applaud the motion. It is a pity the government could not have done something well before this because it certainly has not. As I said, it has been dragged kicking and screaming to look at this issue. A problem has been experienced by country taxi services and operators. In my words, from my experience in listening to the people in my electorate, I say that it is a crisis. This government has got to stand up and listen to all the issues put before it and do something now. We do not want a review so that have to wait 12 months. The Essential Services Commission referred to the issues and the disparities and they need to be acted on. I applaud The Nationals for bringing this motion to the house today, and I support this very important motion for country Victoria.

Hon. B. W. BISHOP (North Western) — I would like to thank the members who have risen to speak on this motion. We certainly welcome that support.

Hon. T. C. Theophanous — Did you welcome both sides' contributions?

Hon. B. W. BISHOP — Yes, I did, and I am about to do that, Mr Theophanous. Firstly I recognise my colleagues Mr Baxter, Mr Hall and Mr Drum. I also thank Mr Davis, Mr Koch, Mr Forwood and Ms Lovell from the Liberal Party. I particularly thank Mr Viney and congratulate him. I believe this is the way this house ought to work, with a degree of cooperation. It also shows that the government appreciates and recognises that there are some difficulties out there in the country taxi industry. It was prepared to support this motion today and put that support on the public record.

I cannot say quite the same for Mr Smith. I think he got a bit lost in his translation of the motion. He did not seem to be able to grasp the problems of the country taxi industry and he went off on his own tack. But I do thank Mr Somyurek, who made his contribution as well, and Ms Hadden, who, as usual, made spirited remarks in supporting my motion. I add Mr Nguyen to that list.

I thank members for their support of the motion we have debated today. Of course implicit in that motion are the words 'immediate action'. There is no doubt that a number of things could be put into place right now. Whilst we agree that a review is very important, there are things that can be done right now. There are some good examples of that. In the metropolitan area there is some support for wheelchair-friendly taxis, but that is not available in country areas. We have heard it, but let us hear it again: every 28 days $100 is paid to the depots for each vehicle, $3.30 for each phone booking, and $1 per kilometre when the vehicle travels over 4 kilometres. That is a substantial amount of support in metropolitan areas that is not available in country areas. We in The Nationals do not see why that could not be put in place immediately, like tomorrow or next week, so we have some support in those country areas.

Another thing that can be put into place immediately relates to the roadworthy testing. Obviously there are plenty of authorised VicRoads vehicle testers around country Victoria. It would be much more efficient, and certainly save costs for our country taxi industry, if they could use those home town, if you like, authorised vehicle testers for their roadworthy testing.

The cap on the multipurpose taxi fares has been brought up today. It has gone from $25 to $30, but obviously the flux of time has been substantial since that was set. It should be more like $50 now. I cannot see why that cannot be done tomorrow. It can be done immediately. We could certainly look at reviewing immediately the 24-hour requirements on country taxis, which would ease the difficulties there. I suspect there are plenty of other areas that we could look at immediately — for example, advertising. We heard about the government's support of Commonwealth Games advertising on London taxis. There is no reason why such advertising should not be put in place here. That can be done immediately — like tomorrow.

Let us have a few words about the review. It is important that a review be held, but there is no doubt

that, given the problems involved in our country taxi industry, that review needs to be crisp. In fact it needs to have a focus on the country taxi industry as well so that the differences that occur can be picked up during the review. It was obvious when listening to the debate today that those differences are drawn because of their being little or no public transport in country areas. It is a perfect opportunity for the government. We hear the cry that it governs for all of Victoria. This is a perfect opportunity to pick up the country taxi industry in the review and focus it so all that is understood.

We have heard a fair bit of talk today about community transport. All these issues are integral to transport in our community. It seems to me to be a simple managing of that process — getting the right balance of community services being able to purchase services from the taxi industry in country Victoria and working in cooperation with community transport. It is all about balance, and I am sure the structure to make community transport services better in country Victoria can be put into place without any difficulty. It can be a win-win proposition if the government applies itself and conducts that review in a crisp fashion so that we do not have to stand around and wait a year, or whatever time it might take, to have that balance put in place.

I thank everyone for their support of the motion moved by The Nationals. We put it up in a practical way, and we believe we are responding to the needs of the people that we represent in country Victoria. I am delighted that we have had support from across all sectors of the house — from Ms Hadden, from the government and also from the Liberal Party — and I urge the government to get on crisply and quickly with the job of the review. More importantly, I urge it to pick up immediately the things we have talked about which we believe can be put in place straightaway and which would certainly make a difference to the viability of our country taxis and to the living standards in our country areas.

Amendment agreed to.

Amended motion agreed to.

Sitting suspended 12.57 p.m. until 2.02 p.m.

QUESTIONS WITHOUT NOTICE

Police: database security

Hon. PHILIP DAVIS (Gippsland) — I direct a question without notice to the Minister for Information and Communication Technology. I refer the minister to the extraordinary breach of security in which a prison officer turned whistleblower received the law enforcement assistance program file data of over 1000 Victorians, his personal computer was accessed and email and an entire file were deleted without his knowledge or consent. Will the minister outline to the house the protocols and screening processes for IT staff that apply within all government departments and companies servicing government departments?

Hon. M. R. THOMSON (Minister for Information and Communication Technology) — I understand the opposition would like to prolong questioning on this matter. I am happy for them to do that but I reiterate that the issue of the emails is a matter for the police in the first instance. The Minister for Police and Emergency Services has sought an explanation from the Chief Commissioner of Police in relation to that matter and is awaiting a response. I also indicated in my answer yesterday that the question of who has access to what files and how they are to be dealt with is addressed in protocols that are established by departments around the kind of information that they carry and who should responsibly have access to information and who should deal with it. That is the case in this instance.

Supplementary question

Hon. PHILIP DAVIS (Gippsland) — I thank the minister for her answer. I refer the minister to her answers today and yesterday and ask: if the minister is telling the house that she has no knowledge of IT contracting, services and security protocols, why does she claim to be the Minister for Information and Communication Technology?

Hon. M. R. THOMSON (Minister for Information and Communication Technology) — It is obvious that the member does not understand my responsibilities in relation to information and communications technology, nor, more importantly, the role I play as the minister responsible for e-government and the rollout of whole-of-government e-government initiatives. I have indicated in this house before, and I will indicate again, that there are really good, sound reasons that the protocols that are entered into in relation to who has access to what are dealt with by departments based on the kind of information they hold. Who should have access to that information is determined based on the arrangements of staff access. Those arrangements are contractually entered into based on the files that may need to be accessed — —

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

Business: government contracts

Mr SOMYUREK (Eumemmerring) — My question is to the Minister for Finance. Can the minister please outline to the house how the Bracks government is helping to grow all Victorian businesses by ensuring they can compete for government contracts?

Mr LENDERS (Minister for Finance) — I thank Mr Somyurek for his question and his interest in growth in Victoria and the relationship between the government sector and the private sector in bringing that growth about. This government is absolutely committed to growing the whole of the state. To us Victoria is one place. To us Victoria is a place where everybody has a role to play. Unlike the previous government, which described the 1.4 million Victorians living outside Melbourne as the toenails of the state, this government is governing for the whole of Victoria.

Hon. Philip Davis — Get over it — we have gotten over it!

Mr LENDERS — I take up the interjection from the Leader of the Opposition. I remind the opposition on this of all days, when the Country Alliance has been formed, that a lot of traditional supporters of the Liberals and The Nationals have not got over it. They do not see the Liberal Party or The Nationals as their voice, and they are looking for a government for the whole of the state, which the Bracks government is. Mr Somyurek's question was what are we doing to enable these businesses to make these decisions. In my time as Minister for Finance I have been to a number of seminars in regional Victoria. We call them winning government business seminars.

Hon. Bill Forwood interjected.

Mr LENDERS — Mr Forwood scoffs. I have been to seminars like this in Traralgon, Ballarat and Horsham — just to name but three regional towns where I have attended these seminars. Why do small businesses come to the seminars? They come because they want to know how to access business with government. They see the government's role as that of a facilitator and to add value. I talk to many small businesses, although not as many as my colleague Ms Thomson, who was the Minister for Small Business. Sometimes a business trying to engage government may see a government the size of Victoria's — with a $30 billion budget and many departments in and out of the budget sector — and will look to the commonwealth and local governments. Such businesses will come to these seminars because the Victorian government is there to help by putting in concise terms how those businesses can engage the various levels of government, particularly state government, and provide work. This is of particular significance. It assists business through a partnership between the state government and the businesses. We do this because the growth of business, and the growth of small business in particular, is integral to the growth of regional Victoria.

We just need to look at some of these statistics. Since the election of the Bracks government we have seen 88 000 more people employed in regional Victoria, or a 15 per cent increase. We have also seen a growth in population. Regional Victoria is now growing at more than 16 000 people a year. As the Bracks government goes to community cabinet after community cabinet in regional Victoria we see economic growth in those areas and hear council after council talking about population growth. For the first time in probably four decades we are seeing consistent growth.

Coming back to Mr Somyurek's question about what the government is doing to help businesses, we are engaging them and providing them with information so they can do what they are good at — creating jobs in regional Victoria. We are doing that in consultation with them. The reason we are doing it is that we believe Victoria is one state — no heart and toenails — unlike those opposite. We also know that we want Victoria to be a better place to bring up a family, which is the most important issue for us on this side. We are absolutely proud of it and focused on it.

Honourable members interjecting.

The PRESIDENT — Order! Mr Dalla-Riva will remove those posters now. Members have had their fun. I do not want to see those posters again. I ask honourable members to desist from interjecting. I advise members on my left that they have had their opportunity. That is the last time I will see those posters in this chamber. I will remove the next member who raises them.

Health and Community Services Union: WorkSafe survey

Hon. BILL FORWOOD (Templestowe) — It looks like we are going to be gagged! I direct my question without notice to the Minister for WorkCover and the TAC. I refer to a letter dated 17 July by the Health and Community Services Union (HACSU) which, with its survey form, was sent to many employers in the health and community sectors. The opening sentence of the letter says:

> WorkSafe Victoria has introduced a new initiative to encourage greater consultation on health and safety within the workplace.

Later it says:

> WorkSafe is supporting nine unions … to support health and safety representatives.

Is the survey being conducted by HACSU officially endorsed by WorkSafe and the minister?

Mr LENDERS (Minister for WorkCover and the TAC) — I will certainly take on notice the part of the question relating to the survey, because I do not recall seeing it myself. I will take up Mr Forwood's comments and the implication that something is untoward about unions working towards safety issues in collaboration with WorkSafe. I am not trying to put words into the member's mouth, but the implication was that there was something untoward about that.

I remind Mr Forwood of the response I gave to a question in this place last week when I said the government welcomes employer and employee organisations — in the instance last week I was talking about the Victorian Farmers Federation and the Australian Workers Union — working with WorkCover and WorkSafe to bring down the number of industrial deaths and injuries in a collaborative and tripartite process that I would think everyone in this chamber would welcome. I certainly welcome any work — as we have done with those unions — that employer organisation, other unions, other employer organisations and the workers and businesses themselves can do to bring down the number of industrial deaths and injuries in workplaces.

I will take on notice the particular letter Mr Forwood referred to and look at it with interest. In general terms I welcome any effort by organised labour or employers to bring down the number of deaths and injuries and improve safety in workplaces. I look forward to seeing the letter.

Supplementary question

Hon. BILL FORWOOD (Templestowe) — I do too. Under what authority has HACSU got the right to ask people to answer questions such as, 'Who is the person responsible for occupational health and safety at your organisation?', 'What support does the organisation need?' and so on? Is this something people are being forced to answer because it is involved with WorkSafe, or is it just on its own whim that the union has sent this out?

Mr LENDERS (Minister for WorkCover and the TAC) — I would have thought that in a liberal democracy like Australia in the 21st century it would be the right of any employer or employee organisation to canvas in workplaces issues in the workplace that concern their members, whether it be employers or employees. I thought it would have been an absolutely fundamental principle of a liberal democracy that that is a form of freedom of speech that should be encouraged. I am puzzled by Mr Forwood's question. I hope it is not part of the dreams of the last 30 years of the Prime Minister to get into workplaces and to change arrangements. I would have thought any employer or employee organisation wishing to seek information in a voluntary fashion is what a liberal democracy is all about. I welcome Mr Forwood's question and look forward to examining the document he has mentioned.

Consumer affairs: Money for Living scheme

Hon. J. H. EREN (Geelong) — My question is directed to the Minister for Consumer Affairs. The Bracks government is leading the way in addressing concerns about consumer credit products. Will the minister advise the house of any consumer credit products that may be of concern to seniors in our community?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I thank the member for his question. It is a very serious question and is of concern. So much so that, as members will be aware, we have initiated a consumer credit review chaired by the member for Monbulk in the other place, Mr Merlino. One of the things the review is looking at is an emerging issue of concern known as reverse mortgages. Reverse mortgages allow a consumer to borrow against the value of their family home. The loan provides the consumer with cash, in either a lump sum or periodic payments, or a combination of both, and is secured against their home. Reverse mortgages are marketed to consumers who are asset rich and cash poor. This will typically be retirees or pensioners who own their own home but are on a lower fixed income. Many reverse mortgage products are offered on reasonable terms and give older Victorians the financial independence they are seeking.

However, it is very important that those considering taking out a reverse mortgage seek independent legal advice and read their contracts carefully before signing up. Some companies are marketing to older Victorians that products appear to be reverse mortgages but are, in fact, a very different scheme. The member for Carrum in the other place, Jenny Lindell, raised concerns in that house regarding a scheme run by a company called

Money for Living. Money for Living has developed a scheme that allows people, generally over 65 years, to unlock the equity in their home. Older Victorians may not be aware that the Money for Living scheme is not a reverse mortgage. Money for Living actually buys the person's home and pays them the purchase price in an initial lump sum, followed by instalments. This is not a loan — you no longer own your home. Money for Living grants you a guaranteed lifetime tenancy in your home. Money for Living then on-sells your home to a third-party investor, who is contracted to keep up the payments to you.

Consumer Affairs Victoria is currently inquiring into complaints about the Money for Living scheme. We advise consumers who are interested in getting involved in the Money for Living scheme or any other schemes that involve the family home to seek independent legal advice before signing any contracts. If any breaches of consumer legislation are found, I am advised that Consumer Affairs Victoria will take appropriate action. The Bracks government cares for all Victorians and we care for those in our community who may fall victim to the kinds of scams they are vulnerable to. We ask all Victorians in any situation where there are contractual arrangements to ensure they seek and get proper legal advice before they enter into those contracts to avoid any opportunity for being ripped off.

Electricity: prices

Hon. P. R. HALL (Gippsland) — I refer my question today to the Minister for Energy Industries and Resources. I refer the minister to the response he gave to my question yesterday when he said he did not accept the premise that a line loss charge exists and that my question 'was based on inaccurate foundations'. I presume the minister has done his homework, and I now ask if he would confirm that large consumers are indeed charged for electricity that they do not even receive and that country-based businesses are worst affected.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I thank the member for his question, but he of course inaccurately quotes *Hansard* in this instance. In fact what I said was that I 'would want to take away and check very carefully to see whether it was based on inaccurate foundations'. There is a slight difference.

In any case I am happy to report to the member on the substantive part of the question. What the honourable member tried to come in here and suggest yesterday was that the further away you live from Melbourne, the more you pay in terms of losses on the line. In fact the situation is a little more complicated than that. The member pointed to an example in relation to Bairnsdale, which is in the east of the state. In fact the losses that go through the system in relation to the east are actually less than the losses that are paid for in the system in the west of the state. His premise that the further away you are from Melbourne, the more you pay, is inaccurate from that perspective. It is another inaccuracy.

Let me just explain to the member what actually happens. There are losses on the line. These losses are calculated by two regulators. One regulator is the National Electricity Market Management Company (NEMMCO), which calculates the transmission line losses in relation to specific nodes. The other regulator is the Essential Services Commission, which calculates the distribution losses for each of the distribution areas in Victoria. This system was established by the previous government. It set the system up. The retailers pay these losses.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — Listen and you will learn! They then allocate them to customers. For large customers in most instances they actually show it on the bill. For small customers it is averaged out and reflected in the price. But here is the rub. The network tariff rebate, which was introduced by this government, is designed to actually take it into account for customers up to 160 gigawatt hours, which is a customer of significant size, and eliminates the losses on the lines that are differential between the country and Melbourne distributors. Which is the government which actually fixed it up?

Hon. P. R. Hall — What does that mean?

Hon. T. C. THEOPHANOUS — If you do not understand, you might not like the truth or be able to handle it. The truth is we introduced a scheme which has cost more than $200 million in the state budget to make sure that in terms of network losses country Victorians, particularly those with small bills, do not pay any more than those in metropolitan Melbourne.

Supplementary question

Hon. P. R. HALL (Gippsland) — I am delighted to have had the opportunity over the last two days to relieve the minister of some of the ignorance he has shown on this matter. I now challenge the minister to deny the claim that country businesses still pay for electricity they do not even receive. Is it not true that Patties Foods in Bairnsdale pays $40 000 per year for electricity it does not receive and 26 companies in

Bendigo pay $3 million for electricity they do not receive?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — The previous government set up a system in which losses on the lines are paid for one way or another by customers. That is the situation. They are paid for irrespective of whether you live in Melbourne or country Victoria, whether you live in Bairnsdale or Footscray. Losses on the line are paid for by consumers because they happen to be a cost on the system. The issue is whether it is unfairly charged for in one region or another. The answer is that the system set up by the previous government unfairly discriminates against large customers in regional Victoria. We on this side of the house have taken the step of spending $200 million — it will be $300 million shortly — in order to look after at least the smaller customers.

Minerals and petroleum: exploration

Mr SMITH (Chelsea) — My question is to the Minister for Energy Industries and Resources, the Honourable Theo Theophanous. Can the minister advise the house of recent initiatives the Bracks government has undertaken to make provincial Victoria an even more attractive place for mineral exploration?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I thank the member for his question. I have before informed the house that Victoria is on the cusp of a second gold rush. As I have previously reported, exploration expenditure by companies searching for minerals and petroleum in Victoria has increased on a trend basis for the December quarter of 2004 to $72.7 million. That is just exploration in Victoria. That is a rise of $44 million on the December quarter of 2003.

Imagine this: for the moment at least Victoria is equal second with the resource-rich state of Queensland in terms of exploration dollars that are being spent. That is a phenomenal outcome. It puts us ahead of every other state except Western Australia in terms of exploration dollars. It is something we are very proud of. We are very keen to give the message to explorers in this state that it is time to rediscover Victoria, that Victoria is being rediscovered and that they should get onto that rediscovery. Recently I went to the Association of Mining and Exploration Companies national mining conference in Perth.

Hon. Andrea Coote interjected.

Hon. T. C. THEOPHANOUS — No, this is a different one. At the AMEC conference I launched the new Victorian government campaign called Rediscover Victoria. The Rediscover Victoria campaign highlights the state-of-the-art geoscience and geophysical data which has been produced by this government and which has been one of the major drivers in getting the additional exploration dollars. The 17th data release of the Victorian initiative provides investors and explorers with a huge head start in the search for minerals in this state. We have produced a pamphlet, which we distributed at the conference, called *Rediscover Victoria*. I have brought enough of these pamphlets in.

Mr Smith — Can I have one?

Hon. T. C. THEOPHANOUS — I may not have enough for everyone, but I thought I would give priority to opposition members in this instance. I am sure opposition members are really interested in rediscovering Victoria, and they could start by reading how the Bracks government is encouraging explorers to rediscover Victoria. I will make them available immediately after I finish my contribution.

I went to the Diggers and Dealers conference as part of helping others to rediscover Victoria. I met the chief executive officers from international companies such as AngloGold Ashanti, Newmont, Placer Dome and Barrick, and a range of Australian companies, including Newcrest, Goldstar and the ANZ. All of these companies are very interested in rediscovering Victoria.

Melbourne Cricket Ground: redevelopment

Hon. B. N. ATKINSON (Koonung) — My question is to the Minister for Sport and Recreation, the Honourable Justin Madden. I note the *Herald Sun* has reported today that Grocon has outstanding claims worth $40 million for construction work on the Melbourne Cricket Ground redevelopment and that the project is already running at $24 million over the original budget — at $434 million — before these Grocon claims are added. I ask the minister: will the government honour its agreement with the Melbourne Cricket Club to pay any additional construction costs on the MCG above $450 million, currently a prospective additional cost of $24 million, and what is the revised budget for the completion of this project?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I welcome the question. It is nice to have a question from the opposition sport spokesperson in relation to matters of this significance, because we are very proud of what is taking place at the Melbourne Cricket Ground — we are very proud. Let me give some details about the MCG. Leaving aside the fence at the MCG — most members of the chamber would appreciate the fence is of significant age — what is the

oldest bit of the MCG now? The light towers. Who delivered the light towers? A Labor government. What is the next oldest element at the MCG?

Honourable members interjecting.

The PRESIDENT — Order! I ask Mr Forwood and Mr Smith to desist from interjecting across the chamber, and I ask all other members to stop interjecting and allow the minister to respond to the question asked by the opposition.

Hon. J. M. MADDEN — Be it the light towers or the Great Southern Stand. Who delivered the Great Southern Stand? A Labor government. Who is delivering the great northern stand? A Labor government. Who will deliver the entire MCG, the people's ground, to the state of Victoria? A Labor government.

Hon. D. K. Drum interjected.

Hon. J. M. MADDEN — Next time Mr Drum is sitting in the members stand with a blanket over his knees, next time he is enjoying the corporate hospitality of the MCG at a long lunch, next time he sees a favourite bowler get a wicket, next time he sees his favourite footballer kick a goal, he should reflect for a moment on who has delivered the MCG. Who? Not one single Liberal dollar has gone into this facility — not state Liberal money and, of course, not federal Liberal money.

Hon. B. N. Atkinson — On a point of order, President, I have enjoyed the theatre, but I must say that the minister has not addressed the question at all. He indicated that he was taking a diversion from it to inform the house of other matters, but he is debating the whole issue rather than answering the question, and he certainly has not gone to the detail the question sought.

The PRESIDENT — Order! With respect to the point of order, the member asked about a *Herald Sun* article, Grocon, the Melbourne Cricket Ground, plus $450 million. The minister has been referring to the MCG, but I ask him to wind up his answer to the question from the member.

Hon. J. M. MADDEN — Let me reiterate the point: this has been a facility that is undeniably the people's ground. It will be, if not one of the best, the best stadium in the entire world — not in Australia, not in Australasia, but where? In the entire world. Who will have delivered it, Mr Drum?

The PRESIDENT — Order! The minister should make his remarks through the Chair.

Hon. J. M. MADDEN — A Liberal government? No. Federal Liberal government money? No. It had its chance, but no, it did not want it. I reiterate that this will be the world's greatest stadium that will seat 100 000 people. Who will have delivered every bit of it? Every bit of it will have been delivered by a Labor government. There is absolutely no denying that when Mr Drum is sitting in the MCG with his family — —

Hon. D. K. Drum interjected.

Hon. J. M. MADDEN — Not only will it be the world's greatest stadium, but it will make Victoria an even better place to live and raise a family.

Supplementary question

Hon. B. N. ATKINSON (Koonung) — The minister's answer sits as one of the absolute classics against the transparency claim of this government. It is an outrageous answer to the question and shows a total lack of accountability to this Parliament. The answer was contemptuous of this Parliament. It has been indicated very clearly that this project will run over budget. We already know that parts of the MCG redevelopment will not be completed in time for the Commonwealth Games, so the claims of being on time and on budget, so much the anthem of this government in so many areas, are absolutely false in regard to this project.

Will the minister advise the house whether the cost overruns on the MCG redevelopment will be met from the existing provision in the Commonwealth Games building works contingency fund and what amount of money has been provided for the overruns?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I thank the member very much. I welcome the member's interest and his question. I welcome it because if he had read the article in detail today he would have appreciated that the article is based on rumour and innuendo. The article is a speculative article, and he is speculating on the project.

The project is one we are very proud of. The project is going gangbusters in every sense of the word. As minister I take great pride in the fact that we were able to get $150 million out of the Australian Football League to contribute to it and that we were able to get funds from the Melbourne Cricket Club to contribute to it. I take great pride in the fact that we provided $77 million, because the tight backsides of the federal government did not want to get involved in the project! This will be a stadium delivered by a Labor government. It is a people's ground, and you can appreciate — —

Honourable members interjecting.

The PRESIDENT — Order!

Ordered that answer be considered next day on motion of Hon. B. N. ATKINSON (Koonung).

Hon. T. C. Theophanous — On a point of order, President, I know that the house has agreed to the motion just voted on, but I ask that you reflect on and give direction to members in relation to the rules relating to questions. I did not take a point of order at the time, but under rule 1.03(c) questions cannot be asked of a minister in relation to whether media statements are accurate. The basis of the question asked by the member was related to an article in a newspaper. I ask, President, that you — —

Hon. Bill Forwood — So what?

Hon. T. C. Theophanous — It is against the rules, that is what. The rules are that ministers should not be asked questions in relation to the accuracy of media statements. The accuracy of the numbers or the figures that were quoted is exactly what the member asked in his question. I therefore ask that you give direction to members that they should not be asking questions based purely and simply on media reports.

The PRESIDENT — Order! I took down notes of the question, but I want to check *Hansard* for the actual question that was asked of the member before I make any ruling on that. I do not feel confident of making a clear ruling, so I want to check the words of the question that was asked of the member before I do so. I will report back to the house.

Commonwealth Games: participation

Ms ROMANES (Melbourne) — My question is to the Minister for Commonwealth Games, the Honourable Justin Madden. As members in this chamber would know, the minister has often spoken about the Melbourne 2006 Commonwealth Games as an event that will generate lasting benefits for all Victorians and Australians. I ask the minister to detail what actions the Bracks government is taking to ensure that some of those benefits extend to less developed countries across the commonwealth?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the question, and I particularly welcome the member's interest in nations around the commonwealth. I have spoken on many occasions about these being games for everybody — not only everybody across Victoria and across Australia but across the commonwealth in particular. Whether they be for the 4500 athletes, whether they be for the 90 000 visitors or whether they be for the 1 billion spectators, these will be absolutely magnificent games. Let us appreciate that they are not only about the regional activities that will be taking place, they are also about the 20 days when the baton will go through every local government area in Victoria. I reinforce that to the members opposite: every local government area in Victoria will have the baton travel through it in the 20 days leading up to the games. It is not only about the regional festivals and events that will take place, it is about the commonwealth.

When we look at the 71 nations and territories of the commonwealth we see there is a huge diversity in that they include some of the greatest nations as well as some of the smallest territories and nations. This is part of the obligation of our government in relation to the Commonwealth Games. These are games of inclusion. We know the opposition is very much about exclusion at every opportunity, but this government is about inclusion. We are making these games even more inclusive in a number of ways, whether it be through the elite athletes with a disability program being part of the games or whether it be about training up volunteers who came to Victoria earlier in the year to be trained up as elite-athletes-with-a-disability coaches so they could go back to their communities to train and teach their elite athletes with disabilities to participate in the games. We will probably see fantastic outcomes from some of those countries.

In particular I want to highlight the sport development volunteers program. This is not a bad program. If I were not in this Parliament I would not mind volunteering for it myself. The program is being funded by our government and assisted by the Australian Sports Commission. It gives an opportunity for sport volunteers to express interest in travelling to some of the developing commonwealth territories and nations to train up some of their sports administrators, coaches and athletes to assist them with the development of their sporting culture. Some of these locations are no doubt quite challenging, but some of them are quite spectacular. Some of the communities in the smaller nations and territories — whether they be across Africa, the Americas, Asia or even the Caribbean and some of the Pacific or Oceanian countries — would probably provide the greatest opportunities for doing developmental work with their sporting culture. It would not only be a fantastic experience for those individuals but fantastic for those countries to develop their sports administration bases and sports cultures and then for those individuals to go back to their countries

with developed networks and ongoing support coming through those affiliations and associations.

This is a great outcome. It will be great for the country, and it will be great for the state. It will be great for every local government area that is associated with the games. There is no doubt that these will be spectacular games, and this will reinforce and make sure people know — if they do not already know — that this is a great state to live in and raise a family.

Liquor: Dartmoor licence

Hon. DAVID KOCH (Western) — My question without notice is to the Minister for Consumer Affairs and relates to the review of a packaged liquor licensing application from the Dartmoor general store in south-west Victoria. The original application was rejected by the minister on the grounds that 'there are adequate existing facilities for the supply of liquor within the area'. The minister is now aware that this is not the case. This application was encouraged and supported by the community, local police and the Glenelg shire and without objection, not even from the local publican. Currently many prospective shoppers travel across the border to Mount Gambier to buy their needs. After repeated unanswered requests for a response and in the knowledge that the minister has requested the director of liquor licensing to review this application, my question is: when will an outcome be determined?

An honourable member — Soon.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — A very tempting response, President. Victoria has the most liberal liquor laws of anywhere in Australia. But with that there is also some balance within the legislation that determines areas where we do not wish to see liquor licences being given — petrol stations being a case in point, and also convenience stores, milk bars and areas that are frequented by children to whom a wrong signal might be sent.

Since these liberal liquor laws have been in place this issue has never been in question across the political divide. However, we have allowed an exemption for certain provisions where there is no availability of liquor and/or where there is a tourist-driven reason as to why we might make an exemption. I do not issue liquor licences; the director of liquor licensing properly does that. However, I do have the responsibility to allow for an exemption to those shops that would be otherwise rejected on the grounds of lack of access to alcohol provisions within a reasonable distance or where there is lack of such access in a tourism zone.

In this instance there is a hotel close by at Dartmoor that I would have thought provided liquor, and certainly the director of liquor licensing thought so. This matter was first raised with me by the member for Lowan in the other place, Hugh Delahunty, in relation to Dartmoor. I undertook to ask the director of liquor licensing to review whether there were any circumstances that would warrant the reinvestigation of this matter. She has undertaken to do that and I am awaiting her response. We take the laws under which we operate and the issuing of liquor licences very seriously, and the matter will be dealt with in that context.

Supplementary question

Hon. DAVID KOCH (Western) — The minister's response does not take into account the statement made by Mr Lenders in the house last week when he said: 'When I was Minister for Consumer Affairs I had multiple discretions to exercise on liquor licences'. This application has been under review for months and is not setting a precedent of licence duplication in a small community. This fails to reflect the government's policy of supporting small business in rural Victoria. With the tourism and fishing season now under way, has the minister a time frame that would give the proprietors of the Dartmoor store some confidence as to when an outcome will be reached?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The member might want to play politics with this issue, and I note he has done so in his local media. As I have indicated, we take the laws under which we operate and the issuing of liquor licences very seriously. On the one hand the member suggests that we are handing out liquor licences willy-nilly, and on the other he wants us to hand one out that will require an exemption. This matter is getting the proper consideration of the director of liquor licensing. When she has completed those inquiries she will make a recommendation to me in relation to the reinvestigations she has undertaken, and I will take that into consideration in determining this matter.

Seniors: government initiatives

Hon. R. G. MITCHELL (Central Highlands) — My question is to the Minister for Aged Care. Will the minister advise the house of recent Bracks government initiatives to assist older Victorians, including those living in regional Victoria, to maintain and improve their health and fitness?

Mr GAVIN JENNINGS (Minister for Aged Care) — I thank the opposition for its spontaneous

endorsement of my receiving a question from Mr Mitchell. I would like to build on the fact that they clearly know that Victoria is a great place to raise a family.

Honourable members interjecting.

Questions interrupted.

SUSPENSION OF MEMBERS

The PRESIDENT — Order! I advised members that if I saw those posters again I would use sessional orders to remove them from the chamber. The Leader of the Opposition showed his; he can leave the chamber for 30 minutes. The Honourable Bill Forwood showed his; he can leave the chamber for 30 minutes. Under sessional order 31 the Honourables Richard Dalla-Riva and Graeme Stoney will also leave the chamber for 30 minutes. If there is a division during that time, the sessional orders provide that the suspensions will be halted for that purpose. The members will leave the chamber.

Honourables Philip Davis, Bill Forwood, Richard Dalla-Riva and E. G. Stoney withdrew from chamber.

Questions resumed.

Mr GAVIN JENNINGS (Minister for Aged Care) — I am very sorry. That might be the most effective 4 seconds in my political career!

I know we have led the way in growing the whole state. I know this is well understood by the opposition. What I am committed to doing is to try to make sure Victoria is a great place to age, and that it is understood by the opposition and all members of the community that it is a great place to age, to stay happy and healthy and living independently, and to ensure a quality of life for older members of the Victorian community. Our government is committed to doing that and has demonstrated that in a number of programs that I have reported to the house previously, such as the Well for Life program, which started in nursing homes in the Loddon-Mallee region and for which we developed a kit to encourage people in residential aged care to deal with the quality of their nutrition and their physical activity. We have taken that and are spreading it through the community sector through primary care partnerships throughout Victoria.

The Healthy and Active Living grants have been a very prominent feature of the Go for Your Life campaign, a major undertaking by the Bracks government to encourage all members of the community to be active and healthy and have a good nutritional diet. We have rolled out these healthy and active living programs through our primary care partnerships, which every day of the year bring together older members of the community to participate in physical activity, to become better informed about the way they can maintain their health and to try to get their hearts and lungs pumping in a way that is of benefit to them.

We know statistical evidence will say that only about 1 in 10 people over the age of 50 do sufficient exercise to get their cardiovascular system to benefit from that physical activity. We are determined to increase that participation over time. Recently in the spirit of those programs and rolling out those opportunities right throughout Victoria, the Victorian government entered into a partnership with Bicycle Victoria — a great community organisation that has 40 000 members throughout Victoria — in a pilot program which is trying to encourage older members of the community to take up cycling. These are the many people who may have had a bike sitting in the back shed for a long period of time and have not used it. Through these pilot programs in Darebin, Moreland, Ballarat and Wangaratta, Bicycle Victoria will be encouraging people to get back on their bikes or to pick up with confidence — —

Hon. Andrea Coote — On your bike!

Mr GAVIN JENNINGS — On your bike! Unfortunately four people from the Liberal Party are on their bikes as we speak. What we want to make sure of is that older members of our community recognise that physical activity is for them. We want to create a broad range of opportunities not only through the program with Bicycle Victoria, which is something we can be extremely proud of, but through other forms of community engagement that will bring people out of their dormitory lifestyles at home and get them active in participatory activities throughout their communities for their long-term wellbeing — their emotional wellbeing and, most importantly, their physical wellbeing.

We are determined to increase the participation of older members of the community right throughout Victoria in physical activity through programs such as this great partnership with Bicycle Victoria. It will be done in partnership with the divisions of general practice in these regions and will bring together community organisations in a great participatory and inclusive program — the hallmark of many of the activities that the Minister for Sport and Recreation, who is also the Minister for Commonwealth Games, reports on. Our

intention is to make sure we have an inclusive set of community activity programs and support the quality of life of older Victorians.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 2121, 2195, 2295, 2308, 2330, 2332, 2338, 2355, 2543, 3068, 3703, 4075, 4093, 4126, 4131, 4336, 4406, 4424, 4638, 4722, 4826, 4921, 4927, 4940, 4950, 4985, 4990, 5215, 5241, 5256.

Hon. ANDREA COOTE (Monash) — I ask the Minister for Sport and Recreation, who represents the Minister for the Arts in the other place, why I have no answers to my questions today. What is happening? I ask you, President, to ask the minister.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I understand that the Minister for the Arts has been contacted in relation to the matter and that something will be provided before the end of this week. We are actively seeking answers to the member's questions, but as one would appreciate we can only make that request of our colleagues in the other chamber, and we are doing that at every possible moment.

Hon. ANDREA COOTE (Monash) — I thank the minister.

Ms HADDEN (Ballarat) — I seek an explanation from the Minister for Local Government as the representative of the Minister for Environment in the other place in relation to my unanswered question 4940 of 26 May in relation to transporting toxic waste and the impact on the environment. I have just been handed a sheet of paper dated 11 July signed by the acting minister. My question was to the Minister for Local Government for the Minister for Environment in the other place. This was just handed to me, and I am not sure if this fits in with the guidelines.

The PRESIDENT — Order! If the member has raised the matter with the minister and has received an answer from an acting minister for that portfolio responsibility, that is quite an appropriate response. The minister who is acting has all the entitlements, responsibilities and powers of the minister, and therefore the minister has responded to the member's question 4940. That is the end of the matter with respect to that question.

Ms HADDEN — This piece of paper is dated 11 July and today is 17 August, and I have just been handed this in the chamber. I would like some advice on it.

The PRESIDENT — Order! With respect to the answer to the member's question, the date on the answer is not the date on which it comes into the Parliament, it is the date on which the minister signs the answer. That is how answers are referred back to all members. I am not sure whether the member has received written answers in response to questions on notice before, but that is the process It is all within the guidelines and answers the member's question. That is the end of the matter with respect to that question on notice.

Hon. D. K. Drum — On a point of order, President, does that response mean we can expect to get our answers five weeks after the respective minister has dealt with it?

The PRESIDENT — Order! It is not a matter for the Chair. The minister can sign the answer and send it through whenever the minister chooses. The Chair is not responsible in that case. The house receives the answers. As soon as they are received the Leader of the Government will indicate each day after question time that those answers are ready to be circulated, and they will be so circulated.

Hon. R. H. Bowden — On a point of order, President, I would appreciate your consideration of the following point in the context of what we are discussing here. On several occasions in the last 12 months I have written to ministers and received replies back from chiefs of staff. I am a little concerned about that because as a member of Parliament when I write to the minister — I would accept a reply from an acting minister without a problem — I expect a ministerial reply. I am asking you, President, for clarification. Unless you clarify it, I do not consider that a reply from a staff member is an appropriate response. Will the Chair help me on this issue?

The PRESIDENT — Order! There is no point of order. I cannot and will not direct or give any indication to any minister on how the ministers will respond to their correspondence. That is a matter for the ministers.

HOUSE CONTRACTS GUARANTEE (AMENDMENT) BILL

Second reading

Ordered that second-reading speech be incorporated for Hon. M. R. THOMSON (Minister for Consumer Affairs) on motion of Mr Lenders.

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

The bill transfers the responsibilities of the Housing Guarantee Fund Ltd, or HGFL, under the house contracts guarantee system and the domestic building (HIH) indemnity scheme to the Victorian Managed Insurance Authority, or VMIA.

HGFL is a company limited by guarantee and is the approved guarantor for the purposes of the House Contracts Guarantee Act 1987. Prior to the commencement of the Domestic Building Contracts and Tribunal Act 1995 on 1 May 1996, HGFL was the sole body to provide recompense to consumers, through a guarantee system, for defective or incomplete domestic building work. HGFL guaranteed domestic building work against defects and incompletion for a period of seven years from the date that the domestic building contract was entered into or the building approval was granted, whichever occurred first.

A government house builders liability scheme was introduced in 1974 under the Local Government Act 1958 in recognition of the need to regulate industry practitioners and provide a guarantee to their buying public. Under this scheme suitable builders were recognised for the purpose of constructing dwelling houses and were required to provide a six-year guarantee to their purchasers. To facilitate and administer this scheme, two corporations previously established by the Housing Industry Association and the Master Builders Association of Victoria were given approval from the government to establish a list of recognised builders.

In 1983, at the direction of the then Minister for Local Government, the two industry corporations merged to form the HGFL. In 1985 responsibility for the legislation was transferred to the Minister for Consumer Affairs.

In 1987 the government enacted the House Contracts Guarantee Act 1987 to increase the scope of the HGFL guarantee scheme and to strengthen the ability of the government to supervise and control the operation of the scheme.

The Domestic Building Contracts and Tribunal Act 1995 introduced domestic building warranty insurance for builders, which replaced the HGFL guarantee system. This confined HGFL's future role to the handling of claims under guarantees which had not yet run out.

In 2001 HGFL's role was expanded when it assumed responsibility for administering the domestic building (HIH) indemnity scheme following the collapse of companies in the HIH Insurance Group.

The activities of HGFL under these schemes will wind down over the next 12 to 18 months. To avoid uncertainty for consumers and builders during the run-off period for both schemes, HGFL has requested that responsibility for administering the schemes be transferred to VMIA. VMIA has agreed to assume responsibility for administering the schemes. The transfer will maintain quality service and ensure that current HGFL expertise in administering the above schemes is preserved. The transfer will also protect the assets of HGFL, which are derived from levies upon builders and which have been held by HGFL for the benefit of consumers.

The bill is required to give legal effect to the transfer.

The assets of HGFL will vest in the state and form a new fund called the Housing Guarantee Claims Fund, established by the bill. VMIA will administer this fund as part of its administration of the running down of the house contracts guarantee scheme. When the guarantee scheme is finalised, this fund will be paid into the Domestic Builders Fund under the Domestic Building Contracts Act 1995.

The HIH Fund, which was established for the domestic building (HIH) scheme and currently administered by HGFL, will also be administered by VMIA and is otherwise unchanged.

While VMIA will have responsibility for administering the above schemes and their funds, the bill provides for the state of Victoria to be the successor in law of HGFL assets and liabilities on transfer of HGFL responsibilities to VMIA.

The bill specifically protects the current leave and other entitlements of current HGFL staff that will transfer to VMIA by providing that they are to be employed by VMIA on the same terms and conditions that applied to them as employees of HGFL.

The board of directors of HGFL has undertaken to wind up HGFL as soon as reasonably practicable after the transfer of its responsibilities to VMIA to avoid any public confusion about the identity of the body administering the schemes.

I commend the bill to the house.

Debate adjourned on motion of Hon. W. A. LOVELL (North Eastern).

Debate adjourned until next day.

CASINO CONTROL (AMENDMENT) BILL

Second reading

Debate resumed from 16 August; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. DAVID KOCH (Western) — I make my contribution to the Casino Control (Amendment) Bill in the full knowledge that the Liberal Party supports this bill and has consulted widely, including with gambling commissioners, senior Crown executives and the

former member for Western Province and former Minister for Gaming, the Honourable Roger Hallam. Roger Hallam is a man well remembered in this place and often acknowledged for his part in bringing the casino to Victoria.

Four main purposes are covered in the bill. Firstly, it allows for a variation of the time to review a casino operator by the Victorian Commission for Gambling Regulation from three to five years and adding an additional two requirements for investigation. This will allow the commission to ask for more documents and information than it is currently able to do. The government and the commission say this will ensure higher standards of probity and accountability. Secondly, this bill will allow Crown to use the Crown name or badge in other business ventures beyond the current single-purpose restriction. Thirdly, it will ensure that Melbourne will be the headquarters for the gaming business activities of Publishing and Broadcasting Ltd (PBL) in both Australia and internationally. Finally, the bill ratifies the eighth deed of variation to the Casino (Management Agreement) Act 1993. The government negotiated a number of agreements with Crown whereby Crown had to obtain government approval to acquire assets not related to Crown Casino and there are also some existing redundant clauses relating to the original construction of the casino and parts of the casino complex.

Clause 3 picks up on the periodic review under new section 25(1) which requires the periodic review to be conducted no later than three years after the commencement of operations in the casino and subsequently at intervals not exceeding five years. There is a clarification in relation to where casinos gain an initial licence and where those with an existing licence are under review, and that is for a period of three years for initial licence-holders and subsequently at intervals of five years thereafter.

New section 25(1) also requires the Victorian Commission for Gambling Regulation, in undertaking a periodic review, to investigate and form an opinion as to each of the following matters:

> (a) whether or not the casino operator is a suitable person to continue to hold the casino licence;
>
> (b) whether or not the casino operator is complying with this Act, the Casino (Management Agreement) Act 1993, the Gambling Regulation Act 2003 and the regulations made under any of those Acts …

In the case of the Melbourne casino operator, the commission will investigate and form an opinion as to whether or not the casino operator is complying with the transaction documents as defined under new section 25(1)(a) and with any other agreement between the Melbourne casino operator and the state or a body representing the state that imposes obligations on the casino operator in relation to gaming; and lastly, whether or not it is in the public interest that the casino licence should continue in force.

Clause 6 inserts new section 170, which offers some transitional provisions. New section 170 is a transitional provision and provides that the first periodic review of the casino operator that occurs after the commencement of the act must be conducted no later than five years after the last investigation. Members on this side of the house do not have any concerns about Crown's administration performance to date, and this is supported by the previous review undertaken by the Victorian Casino and Gaming Authority after Crown moved from being a publicly listed company to the privately owned Publishing and Broadcasting Ltd. The authority at this stage deliberately entered a full review of Crown's suitability in continuing to hold that licence. It is picked up in the former gaming authority's report on page 25. Its findings indicate that:

> In 1997 and 2000 it was the view of the authority that Crown had effectively, efficiently and fairly conducted the operation of a major casino since commencing operations in 1994. The authority was also satisfied that the manner of operation had engendered the necessary public confidence.

I think it is terribly important that we reflect on the word 'confidence'. A business such as Crown, like any other gambling institution or activity in this state, relies very heavily on confidence, along with the probity and integrity of its own business. But at the end of the day people must have some confidence in those probity and integrity checks that are in place. The suitability of Crown to continue holding the licence was under the later review in 2003, and it also suggested:

> After a comprehensive probity investigation the authority is satisfied with the probity of Crown.
>
> …
>
> The authority is of the view that Crown's casino operations have, subject to the matters disclosed in this report, continued to be effective, efficient and fair. Crown's performance has been what could reasonably have been expected of it, taking into account the size and complexity of the Melbourne Casino and Entertainment Complex. Operationally, Crown is in the forefront of Australian casinos —

I think that is terribly important from Crown's point of view and Victoria's point of view —

> The authority is satisfied that Crown has the appropriate experience and capacities to operate the Melbourne casino.

> These findings enable the authority to be satisfied that Crown is a suitable person to continue to hold a casino licence.

I think also it is worth mentioning in the debate that in Crown's case the gaming authority certainly investigated many things under the area of commercial compliance. In fact some 14 areas in its commercial compliance investigations area were looked into by the authority at that earlier stage.

I will quickly put on the record of those 14 areas, because I think it is important to realise that investigations currently and in the future will include but not be limited to Crown and PBL's corporate governance, policy and procedures; investigations by the Australian Securities and Investments Commission and the Australian Stock Exchange; Crown's financial performance against projections; Crown's and PBL's actual and projected level of indebtedness and PBL's relationship with its banking syndicate; Crown's financial viability in regard to the remaining parts of the project; Crown and PBL's internal records and financial dealings; compliance of Crown and PBL with the various agreements and transaction documents that are in place; related-party transactions with director-related entities, other related parties and additional related parties; any changes to the corporate structure; the financial strength of shareholders with more than a 5 per cent holding in Crown; any financial or commercial issues raised in public submissions; minutes of meetings and related papers of the board of directors, the audit committee and the compliance committee of Crown; any other financial or commercial matters which become known or are discovered during the investigation process that may be relevant to the purpose of the review; and lastly, any actual or potential future material changes to the parties holding an interest in the casino licence.

All the investigations left the then authority in little doubt as to the integrity of PBL in being a licence-holder. Interestingly the government, after being in power for nearly six years, is now prepared to acknowledge and remove the single-purpose restriction as it is now seen this could impede Crown's capacity to compete in both national and international gaming markets. The single-purpose restriction was originally put in place to protect the interests of the state during the development and construction of the casino which we all appreciate has now long since past. The Crown trademark, for want of a better word, will be used only where the owners deem it a mark of excellence in its operations. Probity is one thing, but recognising industry confidence is the hallmark. Crown is recognised both nationally and internationally as a leader in the casino business, and it will obviously be careful and sparing in the use of its Crown trademark.

I picked that up in a media release from the office of the Minister for Gaming dated Tuesday, 19 July 2005. The media release goes on to say:

> 'While Crown's parent company Publishing and Broadcasting Ltd (PBL) has been able to operate other businesses in addition to the Melbourne casino, they have not been able to use the successful Crown name,' Mr Pandazopoulos said.
>
> 'In having this restriction lifted, PBL has agreed to continue to manage the Crown business from Melbourne, locate the headquarters of PBL's international gaming business in Melbourne, endeavours to maintain Crown's leadership in the high roller business and ensure Melbourne is the flagship of PBL's Australian gaming operations'.
>
> Mr Pandazopoulos said the agreement also required Crown to spend at least $170 million on the Melbourne casino complex over the next five years to maintain the value of this state asset.

As many of us will realise, Crown Casino in fact sits on Crown land under the jurisdiction of the government, so that is just to guarantee that this prominent property is always maintained in pristine order and showcases Melbourne. I am sure PBL had absolutely no difficulty in coming to that agreement. The important one that was also put in this press release is that:

> Crown has also agreed to make an annual investment of $5 million to market the casino and Melbourne as a tourist destination, through a memorandum of understanding with Tourism Victoria …

As people would be aware, this $5 million is equivalent to some 10 per cent of the total tourism budget across the state. There is absolutely no doubt that there was a sting in the tail for Crown to gain some of these opportunities. Not only is there the $170 million to maintain the site but there is also the $5 million to assist with tourism promotion of the Crown precinct.

The last part of the bill is schedule 9, which is the eighth deed of variation to the management agreement for the Melbourne casino project. The variations are picked up in clause 3 of the deed of variation. I note that the deed of variation relates purely to the Melbourne casino project. It is dated 8 July 2005 and is simply between the minister and Crown Ltd. I acknowledge here that Crown's registered office is listed as being at 8 Whiteman Street, Southbank, Victoria. That confirms the earlier agreement relating to Crown headquartering its gambling operations in Melbourne.

The other variations which need to be put on the record relate to the management agreement. Clause 3 of the

deed is headed 'Variation of management agreement' and states:

> The State and the Company agree to vary the Management Agreement so that —
>
> …
>
> (b) clause 2 shall be varied by:
>
> (i) inserting the following definitions:
>
> "Deed of Undertaking and Guarantee" means the Deed of Undertaking and Guarantee as defined in the Casino Agreement;
>
> "Supplemental Casino Agreement" means the Supplemental Casino Agreement as defined in the Casino Agreement …

We were a little concerned about this at the briefing as we were not terribly familiar with what it was. Those who were fortunate enough to give us the briefing were generous enough to email my colleague Ken Smith, the member for Bass in another place, at a later date in relation to those agreements. I bring this to the attention of the house. The deed of undertaking and guarantee is between Crown, PBL and other PBL entities, the Victorian Commission for Gambling Regulation and the state. Under this deed PBL and the listed PBL entities guarantee Crown's obligations to the state and the commission under the other transaction documents, such as the casino agreement, the site lease et cetera. The supplemental casino agreement is between the commission, Crown and PBL. Under this agreement PBL makes certain warranties and gives undertakings that will also comply with the obligations that apply to Crown under the casino agreement. Importantly, the details of the agreement and the guarantee remain, as they should, commercial in confidence between the state and PBL. In putting that on the record the opposition thanks the Office of Gaming and Racing and especially Cate Carr for making that information available.

Clearly the Liberals do not oppose this bill. As I said at the start of my contribution, we see this as an uncontroversial bill and we support it. Many of the issues it picks up are well overdue. I am sure that if PBL had not pursued these matters, the government would still be asleep to the fact that these amendments only remove impediments that would limit the scope of business opportunity and success for PBL in its gaming activities.

Although that wraps up the bill as presented, it would be remiss of me and other speakers on this side not to reflect on the shenanigans of the then opposition in relation to issuing the first casino licence in Victoria. As an interested onlooker at the time I well remember the performance of the then Leader of the Opposition and current Treasurer and the then shadow Minister for Gaming and current Attorney-General. The absolute nonsense and criticism sprayed around the lower house at that time demonstrates what hypocrites these people were and continue to be. The growth of the industry over the last 12 years has seen it become not only one of the state's largest meccas but also one of the state's best milking cows. It has also brought much difficulty to people who unwittingly find themselves with an addiction to gaming machines. The turnover and rivers of gold in terms of the revenue streams that this government basks in on the back of gambling are a complete contradiction to its argument when the first licences were so carefully put in place by the Kennett government, under the astute stewardship of blokes like the Honourable Roger Hallam as the then Minister for Gaming, Jeff Kennett and the Treasurer of the day, Alan Stockdale.

The cries from then opposition members Mr Brumby and Mr Hulls for a royal commission are but faint memories as they rust themselves more and more tightly to the spin of the wheels and the roll of the dice. All the promises of education and assistance to problem gamblers through the Community Support Fund, from where we were told funding support would be returned to communities where the needs of problem gambling were recognised as having an increased human impact on many families and their communities, continue to diminish. This is still most apparent in communities which are less advantaged. More and more machines go into these areas solely as a mechanism for raising huge amounts of money for both operators and this tax-hungry government. The latest charge by Australian Football League clubs to acquire more machines, especially in areas that can least afford them, is a further example of how people see gambling as an easy and unchallenged source of raising finance, irrespective of the human cost.

We now see gambling making a contribution to the state's coffers of $1.4 billion annually — our third-largest single contributor. Things are going so well in this sector that the Treasurer cannot stop himself from dipping into punters' turnover to prop up the health budget. In 2002, $35 million was moved across to health. This was going to shorten waiting lists by tens of thousands and accelerate hospital redevelopments. Another $45 million was extracted this year in an attempt to do the same. The big difference in this year's grab — where obviously greed has become the motive — is the Treasurer has seen fit to put his hand in the racing punter's pocket to the tune of a further $1.56 million as he is not prepared to return full

compensation under the recognised joint venture agreement. So much for the bloke who tried so desperately to talk down the industry when in opposition. Ironically in his role as Treasurer today this same bloke, whose thirst for tax greed is unparalleled in this state, continues to extract all he can out of electronic gaming machine licences to prop up an increasingly inefficient budget regime that is now beginning to be publicly recognised as out of control and unsustainable.

The Liberals support the bill and I wish it a speedy passage.

Hon. D. K. DRUM (North Western) — I too take pleasure in rising to talk on the Casino Control (Amendment) Bill. The Nationals will be supporting this legislation, having looked at the components of the bill which will have an effect on the management and review procedures relating to Crown Casino. We believe they are in keeping with good governance and maintaining an accurate handle on gaming activity in the city of Melbourne and primarily at Crown Casino.

This bill will amend the Casino Control Act 1991. That act governs the operation of casinos in Victoria, of which at the moment there is only one. The bill will also amend the Casino (Management Agreement) Act 1993. That act contains the specific agreement for the operation of the Melbourne casino at Crown. A variation to the Casino (Management Agreement) Act can only take place through a piece of legislation similar to the bill we have before this house today.

One of the major aspects of the bill is that it will amend the Casino Control Act 1991 to ensure that the time normally put down for a periodic review of the operation of the casino operator will be extended from three years to a period not greater than five years. There will still be intermittent reviews inside that five-year period, but it will not be mandatory for those reviews to be conducted inside the three-year period.

The Casino (Management Agreement) Act is varied by approval of the eighth deed of variation. In essence that deed varies the undertakings and guarantees given in the original agreement in favour of other such documents of the same importance, but with differences to accommodate the financial arrangements between the casino operator and its financiers. As PBL is the parent company of Crown Casino, obviously it will be paramount in those financial arrangements and this agreement has its support.

There will be a supplementary agreement between the Victorian Commission for Gambling Regulation, the government and PBL. The legislation has arisen from a review conducted by the commission and the issues in the legislation have been recommended by the commission to the government. The Nationals agree with the processes followed that have led to the changes to the principal act. As I have said, there will be supplementary agreements between the commission, the government and PBL dealing with the additional benefits for the operation of the casino and removing what is called a single-purpose restriction which has operated from day one of the casino's operations. The need for a single-purpose restriction was thought necessary to facilitate the watchdog mechanism over the casino, which initially had only one purpose — to operate as a casino. Now that Crown Casino has been running for a number of years it is considered this single-purpose restriction is holding it back and tending to put its status as Australia's leading casino at risk. It is believed the removal of the single-purpose restriction will enable Crown Casino and PBL to maintain its pre-eminent position in other forms of gaming and enable it to compete on the international market and with other sports betting facilities and the like. It is commonsense legislation and The Nationals believe it will help Crown Casino in its day-to-day activities.

The economic benefits resulting from the operation of Crown Casino are extremely beneficial to the state of Victoria. The budget papers estimate the economic benefit to the state of over $113 million — that is an enormous benefit to the state. The agreement sets out the expenditure by Crown Casino of $170 million so it can maintain its claim to be the premier venue that it is today. The expenditure of that money as set out in the agreement precludes and excuses Crown Casino from contributing to the Community Support Fund. Private for-profit organisations contribute to the Community Support Fund which generates approximately $130 million ostensibly to be hypothecated back to the community, but we understand that simply does not happen with this government. The money is used as another form of taxation and is used for purposes that historically were paid through budgetary line items. These items are now paid by electronic gaming machine money.

As Mr Koch pointed out in his contribution, the agreement sets out that PBL and Crown Casino will spend about $5 million on marketing and tourism not just for Crown Casino, but for the state of Victoria. That further enhances the economic value that Crown offers the state of Victoria and specifically Melbourne.

The $1.4 billion that is received by the Victorian government is an amazing amount of revenue that is generated by gaming. The reliance on this gaming money is a far cry from what the Labor Party said in

opposition, when it consistently accused the then coalition government of being addicted to gambling revenue. Yet we see now that nothing much has changed. The Community Support Fund which was initially designed to put money back into the community has been turned into a government slush fund. It is very difficult for communities to access that fund. Problem gambling has effectively been ignored. Very little has been done for problem gambling. There have been opportunities for the government to take serious measures, but they have been overlooked; the operation of gaming machines can be slowed or operators can issue cheques. The government could explore the range of opportunities that are available. Some problem gamblers want operators to have the ability to ban them from gambling. I know these things are difficult and complex, but those who have experienced the difficulties problem gamblers have know that they have moments of sanity and are prepared to work with the authorities and organisations so they can help themselves. Perhaps we could look at fewer venues but more machines. That would create super gaming venues similar to Crown Casino so they have the ability to employ counsellors and have support services for problem gamblers. Small venues with 30 or 40 machines making small profits do not have the ability to offer those services. Maybe that is something we can look at in the future.

Precious little has been done to address problem gambling, but we need to seriously look at it in the future. The Nationals agree with the clauses in the legislation and wish it a speedy passage.

Ms MIKAKOS (Jika Jika) — I rise to make a contribution in support of the Casino Control (Amendment) Bill, which implements a package of agreements between the Minister for Gaming, the Victorian Commission for Gambling Regulation, Crown Ltd and its parent company, Publishing and Broadcasting Ltd (PBL). At the outset I thank the Liberal Party and The Nationals for supporting the legislation.

The bill amends the Casino Control Act 1991 to extend the time period for the Victorian Commission for Gambling's review of the casino operator from an interval not exceeding three years to an interval not exceeding five years. It extends the matters the commission must consider when conducting its periodic review to include the operator's compliance with the Casino Control Act 1991, the Casino (Management Agreement) Act 1993, the Gambling Regulation Act 2003 and regulations made under those acts; the transaction documents referred to in the amended management agreement between the state and Crown; and contractual obligations to the state that relate to gaming.

In addition the bill amends the Casino (Management Agreement) Act 1993 to ratify an eighth deed of variation to the management agreement. This will remove the requirement that Crown obtain the consent of the state prior to acquiring assets. The same requirement has also been removed from the casino agreement and supports the removal of the single-purpose restriction from Crown. The bill amends the definition of 'transaction documents' in the management agreement to include two additional documents. They are a deed of undertaking and guarantee dated 30 June 1999 and the Melbourne casino project supplemental casino agreement dated 27 May 1999. Both were entered into as a result of PBL's acquisition of Crown.

The introduction of this bill further demonstrates the commitment of the Bracks government to increased accountability and transparency. The bill also highlights the opportunities the Bracks government is pursuing in order to create major economic benefits for the state.

I wish to highlight at the outset that this bill will not change the way the Melbourne casino is regulated. The government and the Victorian Commission for Gambling Regulation will still expect Crown to operate the casino at the highest levels of probity and fairness. Removing the single-purpose restriction from the casino agreement does not mean that Crown can automatically expand the Melbourne casino, establish another casino in Victoria or offer any additional gambling opportunities or products. These matters will continue to be subject to strict regulation by the government and the commission, and Crown would still require approval if it wanted to do any of these things.

In addition, the Bracks government has no intention of allowing another casino in Victoria and the government is committed to protecting vulnerable Victorians through the introduction of responsible gambling measures and the provision of gamblers help services. The Bracks government is committed to ensuring that Victoria has the most comprehensive set of measures to combat problem gambling in Australia. Independent research suggests that approximately 2 per cent of the population may experience difficulties in controlling their gambling behaviour. Labor is committed to tackling problem gambling and is at the forefront of research in this field. We are continually dedicating funds to gambling research, early intervention initiatives and comprehensive problem gambling services. Furthermore, we have one of the toughest

regulatory regimes in the world. None of this will change.

I found it very interesting that Mr Drum suggested that his view would be to take some of the pokies out of some venues and concentrate them in a smaller number of venues. Voters in regional Victoria would be interested to find out which venues he would take the pokies out of. This will have a huge impact on the ability of local Returned and Services League, football clubs and other not-for-profit organisations to provide much-needed services to their local communities. I am not sure whether this now constitutes official policy of The Nationals or is something he is floating. It is a very interesting proposition.

There can be no doubt that Crown has well and truly established itself as an integral part of Melbourne. Like it or not, Crown offers residents and visitors a diverse range of entertainment and leisure options. Through this bill a number of key components of the agreements have been reached with Crown and PBL. They include increased transparency and accountability of Crown — —

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! Mr Drum and Mr Pullen!

Ms MIKAKOS — They include the expenditure by Crown of at least $170 million over the next five years on the Melbourne casino complex; increased tourism and export income as a result of the removal of the single-purpose restriction; the promotion of tourism to Victoria by Crown; and employment and other economic benefits resulting from Melbourne being the headquarters of the gaming business of PBL and the Melbourne casino remaining the flagship gaming business for PBL in Australia. These are excellent outcomes for all Victorians.

Of course the most important aspect of the agreements and of this bill are the benefits of increased transparency and accountability of Crown. This is in stark contrast to the veil of secrecy which shrouded so many projects and developments during the Kennett years under the veil of commercial-in-confidence agreements. I invite all members to cast their minds back to those dark days when the state was like a black hole. The flow of information was all one way and Victorians were in the dark on how this state was being governed as information and agreements flowed into this black hole of commercial in confidence. I find it interesting that members opposite recall those days fondly, but I can assure them that they are out of step with most Victorians. Through the negotiations with Crown over the removal of the single-purpose clause, the Bracks government has seized the opportunity to obtain Crown's agreement to publicly release the agreement and casino licence.

A copy of the casino agreement incorporating changes made by the ninth variation agreement is now available on the commission's web site at www.vcgr.vic.gov.au. Perhaps Mr Atkinson, who is on the computer at the moment, might want to look it up. A copy of the agreement showing the insertions and deletions brought about by the ninth variation agreement and a copy of the casino licence are available on that site. All Victorians will look forward to the opportunity to look at these agreements. The Honourable Rob Hulls, when he was shadow minister for gaming, was at pains to emphasise it was important for Victorians to be able to access these agreements and that the contents of the agreements should be available to the Victorian public so that they themselves could make an assessment as to whether Victoria was getting value for money.

This agreement will enable the casino agreement to be made public from the first time. This is consistent with our commitment to increased transparency and accountability. Members will recall that the casino agreement, which was originally entered into in 1993, is the key document that sets out many of the conditions applying to the casino licence. It was created subject to commercial in confidence and the agreement has a confidentiality clause. Up until now that has prevented the government from publicly releasing the agreement. All Victorians will welcome the fact that the Bracks government has been able to sign an agreement with Crown to make these documents publicly available for the first time.

In addition the casino agreement will now explicitly place upon Crown a number of additional reporting requirements. It will be required to provide the commission with information on any changes to the composition of Crown's audit and compliance committees, a copy of the agenda and minutes for each meeting of Crown's audit and compliance committees and a copy of Crown's compliance programs, internal audit program and report and external audit report. In addition it will be required to provide details of the purpose and terms of any investment or advance of more than 10 per cent of the company's total assets to an existing or new related body corporate. It will be required to provide quarterly and annual financial statements for each entity controlled by Crown, detailed financial statements including any information required under the Corporations Act, its annual budget, audited accounts and a report of Crown's capital expenditure program.

Previously Crown was only required to provide the following information to the commission — information that it was required to provide to the Australian Stock Exchange, information necessary to enable the commission to make an informed assessment of Crown's financial position, a quarterly financial report and a copy of any notice or information given to or received from the Australian Securities and Investments Commission. Even though the commission could request additional information, the new requirements place the obligation firmly on Crown to provide all the information I specified to the commission in accordance with the time lines set out in the agreement. I reiterate: this is part of the government's commitment to transparency and accountability and to improving the commission's capacity to ensure that the casino is operated to the highest standards of probity and fairness.

In addition the changes to the timing of the commission's periodic review of the casino operator will require the commission to conduct a review into Crown at least once every five years. However, the commission can conduct a more frequent review if it decides it is necessary. The most important thing to note, however, is that the scope of the commission's review will be significantly broadened. At the moment the commission is only required to examine Crown's suitability to hold the licence and whether it is in the public interest that the casino licence continue. In any future review the commission must investigate and report on whether Crown is complying with its obligations to the state under the licence, the casino agreement and other agreements with the state. This will result in a far more thorough and comprehensive review.

Finally, I will briefly discuss the removal of the single-purpose restriction. I am advised that the single-purpose restriction was originally included in the casino agreement prior to the development and construction of the Melbourne casino. Its original purpose was to ensure that the financial viability of the casino operator was not jeopardised by Crown being distracted or destabilised by other business activities during the construction and development of the casino. Because the construction of the Melbourne casino complex was not formally completed until November 2003 when the second hotel tower, the Crown Promenade Hotel, was completed, this restriction was not able to be lifted prior to this date. Now that the development phase of the Melbourne casino project has been completed and it is financially viable, there is no longer any need for Crown to be restrained from operating other businesses.

The government has taken the view that it is in the state's interest to allow Crown to compete for interstate and international gaming business. With the recent consolidation of the gambling market in Australia and the growth of the gaming market into Asia, Crown may lose its status as one of the world's premier casinos if it is unable to operate effectively in the emerging new markets. This in turn will have adverse impacts on tourism, employment and revenue for Victoria. Removing the single-purpose restriction will allow Crown to use its well-known brand to market any interstate or overseas gaming businesses it may acquire in the future. PBL has given the government undertakings to endeavour to maintain the Melbourne casino as the dominant high-roller casino and the flagship of its Australian gaming businesses. These commitments are designed to protect Victoria's share of the interstate and international high-roller business and its subsequent benefits to Victoria.

In conclusion, this bill provides great benefits to the Victorian tourism and hospitality industries and will ensure that Melbourne and Victoria continue to be places that interstate and international tourists choose to visit. I commend the bill to the house.

Hon. B. N. ATKINSON (Koonung) — As has been indicated, the opposition will support this legislation. It is fair and reasonable, and it includes worthwhile provisions about the scrutiny of the probity of the casino and its operations via agreement instruments put in place by the government.

It is worth reflecting on the importance of Crown Casino in Melbourne today and the contribution it has made to this city, notwithstanding concerns that some people in the community have — and that we accept — about problem gambling. It has been indicated that there are programs in place to deal with problem gambling. Crown Casino has undertaken a number of protocols within its own operations, quite apart from government initiatives, to ensure that it addresses some of the issues associated with people who are unable to control their gambling habits and who are no longer playing the games for fun but out of addiction.

Crown Casino has been a major contributor to the economy of this state. When it was established it provided the funds, through the licence or franchise fee, to build some of the real icons of this state that are devoted to the arts, in the city area in particular. Projects like extensions to the Victorian Arts Centre, the state museum and so forth were facilitated by the proceeds of fees paid for the establishment of Crown Casino. It is a building that has also become something of a mecca for a range of other entertainments, quite

apart from gambling. Not this week but in the two previous weeks I went to Crown Casino on seven occasions, not once to participate in any gaming activities, because I find them fairly boring, but to go to dinners, breakfasts and other functions that were associated with my portfolio responsibilities in the Liberal Party.

It is interesting to consider how many events are now staged at Crown Casino, and even for those that are staged at other venues, Crown Casino is important as part of the selling package of those events. Once the convention centre has been constructed Victoria will be very well placed to maintain its share — we bat above our weight in this area — of the convention market which is a significant market and earns outstanding export dollars.

Ms Mikakos interjected.

Hon. B. N. ATKINSON — Ms Mikakos is absolutely wrong on that, because the convention centre was part of Liberal Policy party before the Bracks government was a twinkle in Mr Brumby's eye. The fact is that project was one that the Liberal Party had been working on and was very much part of its policy parameters. When it comes to these sorts of projects and the advancement of Melbourne they basically draw bipartisan support. There is not an issue so far as the need for Melbourne to continue to build the infrastructure that will maintain our position as a destination for tourists and for people who come to do business in this state is concerned. It underpins the economic development of the state. There is no doubt that both sides of the house are keen to promote economic development in this state. I dare say, however, that we have very different ways of approaching it, but nonetheless the objective is clearly the same.

In terms of the casino development it is rather interesting from my perspective to reflect on the Kennett years as well, and the Attorney-General, Rob Hulls, has been mentioned in the debate today in terms of some of the things he used to say in opposition about transparency, because one of the promises that the Bracks government took to the 1999 election was that there would be a royal commission into the Crown Casino.

Hon. D. K. Drum — What happened to it?

Hon. B. N. ATKINSON — We have not had a royal commission yet. When the government had a look at the agreements, looked at the probity of that casino and checked how it had been run when the agreements had been put in place, it found that there was no great monster amongst them, that everything had been properly structured — the i's were dotted and the t's were crossed. That documentation was struck in the best interests of Victorians, and there was simply nothing for a royal commission to investigate. In fact the probity of the Crown Casino project was an exemplar and did not require anything like the sort of examination suggested by the Attorney-General when in opposition.

It is interesting to see the changes of ownership at Crown Casino over the years and to note that Publishing and Broadcasting Ltd is now involved in its ownership. PBL is a significant Australian company backed by a significant Australian in Kerry Packer. It is a company that has international interests and great expertise in gaming, and one would dare say that Kerry Packer himself has great expertise in gaming. He is a very popular and frequent visitor at some of the gaming venues. He does not find them as boring as I do. PBL brings considerable expertise and certainly substantial international networks, which are to the advantage of Victoria. The opposition would welcome the establishment of that company's headquarters in Victoria as part of the agreements that have been struck. We believe that would be a good thing.

I do not believe there is any problem in the extended period of review of the operation of the casino from three years to five years. That is appropriate for a business that is now well established, where the integrity of the processes have been tested and are clearly adequate to deal with the management of the casino and to offer comfort to the public that this is a business that has been conducted appropriately and with all due safeguards in areas like problem gambling and so forth. The management of this facility is appropriate.

Crown Casino continues to contribute to the state economy, as was mentioned in the speeches of the two previous members on this side of the house, such as the $5 million contribution to marketing Victoria and to encouraging visitors from other states and overseas. That is an important contribution and one that will also have substantial economic benefits for Victoria going forward.

The key with this legislation in terms of that opportunity to operate internationally as well has obviously been the lifting of restrictions on the name 'Crown'. It is interesting to consider that in days gone past nobody could have used the word 'Crown' because it was a province of Her Majesty, her heirs and successors. The use of words 'royal', 'Crown' and so forth were not allowed to be registered. It is interesting

to see that there has been a significant shift. Members might be aware of a bus company that operates out my way called Crown Coaches, so the name has been used by a number of different companies and is not seen as something that is solely under the royal mantle these days.

The opportunity to promote Crown as an entity overseas and to extend the use of the brand name Crown to other enterprises that PBL might introduce to this business is to be welcomed, because I am confident of the integrity of the owners and manager of this company today and their ability to generate further economic benefits for Victoria.

As Ms Mikakos indicated, we all share concerns about problem gamblers in the community. We need to be vigilant about the provision of gaming facilities. Notwithstanding what I said about finding gambling fairly boring, I have been to a number of casinos of late. I have this perverse habit of collecting poker chips, one from each casino that I visit. I go there just to collect the chips. The result is that I have been to a number of casinos with restricted entry — for example, in Holland. The casino in Amsterdam is run by the government and you have to pay an entrance fee to go in, which effectively is a tax. You have to be registered and you have your photograph taken before you enter, so it is a very strict regime. A number of casinos operate in Cairo, and you can only bet in American dollars. No locals are allowed to gamble in those casinos. Some restrictions are applied in other parts of the world because of concerns about what gambling might do to some people — that is, the destruction it can cause in a social sense for some families.

I think the approach we have to gambling is an appropriate one. It certainly requires maturity of the community, but by and large I think it has provided a successful balance between the entertainment interests of many Victorians and visitors to Victoria and the need to have sensitivity towards and take responsibility as a community for those people who are not able to control their gambling. We need to be continually vigilant about that, because the impacts of problem gambling on families are very serious and cause considerable destruction for those in our community who have a gambling addiction.

As I said, I am sure the Crown Casino entity plays its role and has protocols above and beyond some of the government's requirements. I look forward to the continuation of those and to the economic benefit of the Crown Casino facility continuing to be a positive generator of activity in Victoria. I look forward to Crown Casino continuing to be a significant tourism destination and venue and a significant corporate citizen participating in the life of this state on many other fronts.

Mr PULLEN (Higinbotham) — I rise to support the Casino Control (Amendment) Bill. This bill amends the Casino Control Act 1991 and the Casino (Management Agreement) Act 1993 to implement part of a package of agreements between the Minister for Gaming, the Victorian Commission for Gambling Regulation (VCGR), Crown Ltd, and Crown's parent company, Publishing and Broadcasting Ltd. The package of agreements includes a variation of the casino agreement between the commission and Crown Ltd, a variation of the casino management agreement and undertakings by Crown Ltd and PBL that will benefit the state. Let us remember it was the Kirner government that got the ball rolling for a casino in this state. A lot of people think the Kennett government came to power and decided, 'Let's have a casino', but the ball actually started under the Kirner government. I want to touch on that a little bit. I must say that I thought the speech delivered by Ms Mikakos was excellent, and I think even Mr Atkinson's speech was quite good.

Hon. B. N. Atkinson — Not excellent?

Mr PULLEN — No, just quite good. You only get 5 out of 10, but Ms Mikakos gets 10 out of 10.

An honourable member — What about Mr Drum?

Mr PULLEN — It was okay. That is about where I will leave that. I do not want to attack Mr Drum today because The Nationals have a lot of problems in rural Victoria, mainly caused by being under attack from the Country Alliance, or whatever it is called. I was disappointed in Mr Koch. I do not normally say that, but it was a repeat of what the member for Bass had said in the other chamber, who cannot help himself and has to constantly attack the government over issues, even when the opposition supports a particular bill. Of course the member for Bass in the other place — —

Hon. D. McL. Davis interjected.

Mr PULLEN — He carried on about the Labor Party calling for a royal commission into the agreements when it was in opposition. I must say that I hold the applicants at that time — Ron Walker and Lloyd Williams — in high regard, but there were questions around how the contract negotiations were going on. No-one can deny that, not even the opposition.

Hon. D. McL. Davis — Why can't we deny it?

Mr PULLEN — You can, because this is what happened with our policy — and you can always read Labor's policies. They are not made up on the run like the people over there so often do when they put out a glossy brochure and say, 'This is a policy'. The situation is that our policies are very clear — and you can get them off the web site. When we put out policies the opposition can always see what they are. It is very similar to what happened at the last election, when we looked at the Melbourne 2030 issue. In my electorate the Liberals put out a brochure that attacked people who live in flats. The brochure showed a house with a nice picket fence and huge flats built beside it. That was an attack on people who live in flats. Opposition members wondered why all the people in the flats did not vote for them. It was because they said, 'You will have people looking down on you like that'. It is important to bring up this issue, because they cannot help themselves denigrating people in that way.

I have also heard opposition members talk about royal commissions. The federal government had a royal commission into the building industry, and we know what a flop that was. Even though it is putting through legislation now, we all know that that royal commission was a flop. Now the opposition is calling for a royal commission into the police. The good news is that it will never get into power to be able to implement such a royal commission, because the police are doing a darn good job, and they know they are. On the other hand, if the miracle ever happened that the opposition got into power and had a royal commission, it would find that everything was going all right and that it need not have had one.

I know a little bit about casinos, because the first casino in Australia happened to be the Wrest Point Casino. The member for Bass in the other place said, 'The Kennett government made sure that the casinos would be operated with the highest integrity, credibility and honesty'. Let us be realistic. All the casinos in Australia are operated that way, and certainly the Wrest Point Casino has always been above board and was a pretty easy act to follow. I have been to a lot of casinos in Australia — the Launceston casino, the Adelaide casino, the Canberra casino, the Sydney casino, the Gold Coast casino — —

Hon. D. K. Drum — Brisbane?

Mr PULLEN — And the casino in Brisbane. But I have never been to Perth, so I have not been to the Perth casino yet. One of the good things is that this bill will allow that casino to be called Crown Casino, which will be great for the company. I tried to go to the Paris casino but was not allowed in because I did not have my passport with me. I have been to two other overseas casinos, one in Brussels and one in Auckland.

The member for Mornington in the other place talked about casinos overseas. He mentioned the Macau one. I must admit that when I went to Macau I had questions about what was going on because all of a sudden lights would come on underneath the table with what the winning number was. That concerned me, and I thought to myself at the time, 'If they can put up what numbers are coming up and so on, what is really going on underneath the table or with the wheel?'. There were questions in my mind about it, and I went out of there not going too well. I also went to a casino in Las Vegas many years ago. One thing about the Las Vegas casino was that people would throw tips all the time to the croupiers. We cannot do that in Australia. That was a real concern as far as I was concerned. The people who were throwing the tips seemed to win. I do not know whether there was a message there or not.

The point I am trying to make here is that I go to Crown Casino to play the games only about once a year maximum, although I go there plenty of times to other functions and so on. The great thing about Crown Casino is that it is there for tourists. When I go overseas or to other states as a tourist I go to casinos. As I mentioned, I go here only once a year to play. The point is that this is a great tourist attraction for Victoria and Melbourne. It is a credit. I give credit where it is due. Everything has been done very well as far as the casino is concerned. I must admit that if I go to the casino I just want the black 8 to come up as often as possible.

Hon. D. K. Drum — Is that a good number?

Mr PULLEN — That is a good number. The new agreement between the Victorian government and the operator, Crown Casino, will result in increased accountability and transparency of the casino while providing major economic benefits to the state. Crown will now be required to provide greater disclosure of information to ensure it continues to meet the highest standards of probity following a review by the Victorian Commission for Gambling Regulation, which was mentioned by Mr Koch. The VCGR will extend the review period from three to five years; however, more frequent reviews can be undertaken if they are required.

The legislation will also allow Publishing and Broadcasting Ltd to continue to manage the Crown business from Melbourne, which is its headquarters for its international gaming business. It will allow Crown to keep its leadership in the high-roller business. As I mentioned, it will allow Crown to use its name

throughout Australia and also throughout the world. The single-purpose restriction was put into the Crown agreement prior to the construction and development of the Melbourne casino. The original purpose was to ensure that the financial viability of the casino operator was not jeopardised by Crown being distracted or destabilised by other business activities during the construction and development of the casino. Now that the development phase of the Melbourne casino project has been completed and it is financially viable there is no longer any need for Crown to be restrained in operating its business. Also, the removal of the single-purpose obstruction is in the state's interest. It will allow Crown to compete interstate and overseas. With the recent consolidation of the gambling market in Australia and the growth of gaming marketing to Asia, Crown may lose its status as one of the world's premier casinos if it is unable to operate effectively in emerging new markets. This in turn will have adverse impacts on tourism, employment and state revenue.

Another thing which has been mentioned by other speakers is that Crown is now required to spend $170 million over five years to maintain this state asset. Remember that the asset belongs to the state. Crown is not in a position to compete in the international gaming market if it loses its existing high-roller business to the new casinos opening in Asia. Removing the single-purpose restriction will allow Crown to use its well-known Crown brand to market any interstate or overseas gaming business it may acquire, which as a beneficial consequence may attract more gamblers from overseas into the Melbourne casino. I must add that one of the assets of the group is the golf course in my electorate. I have never had the opportunity to play on it, but I have certainly had a hit on the practice range there which the general public may use. That is of great benefit to my electorate.

The removal of the single-purpose restriction means that Crown, which like many other businesses is subject to normal legal requirements, can operate any type of business anywhere in Australia and overseas. That is most important. I will touch briefly on problem gambling. The removal of this single-purpose restriction from the agreement does not mean that Crown may automatically expand the Melbourne casino or establish another casino in Victoria or offer any additional gambling opportunities or products. These matters will continue to be subject to strict regulation by the government and the commission, and Crown will require approval if it wants to do any of those things. The government remains committed to protecting vulnerable Victorians through the introduction of responsible gambling methods and the provision of gambling help services. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

Ms BROAD (Minister for Local Government) — By leave, I move:

That the bill be now read a third time.

In so doing I thank honourable members for their contribution to the second-reading debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

PRIMARY INDUSTRIES ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 16 August; motion of Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources).

Hon. PHILIP DAVIS (Gippsland) — In rising to speak on the Primary Industries Acts (Amendment) Bill, let me advise the house that the opposition will not delay its passage for any longer than is necessary to make a few brief observations.

Firstly, I indicate to the house that this is an omnibus bill that proposes changes to the Prevention of Cruelty to Animals Act, the Domestic (Feral and Nuisance) Animals Act and the Fisheries Act. It provides for the registration and enforcement of interstate court orders relating to custody of animals; strengthens the enforcement provisions of that act with respect to the seizure of animals and other things; requires the permanent identification of menacing dogs; provides for the seizure of cats not wearing identification; provides for the power to destroy seized dogs whose owners cannot be located; enables size limits for a species of fish to be fixed by a fisheries notice; and strengthens enforcement powers in that act in relation to the production of documents and records. I note that in the wide consultation in which the opposition engaged in relation to this bill that the many stakeholder

organisations we contacted had very little comment to make and expressed no serious reservations about the content of the bill. However, I will come back to that point shortly. Specifically, I will briefly go through the principal proposed changes to each of the acts mentioned.

In regard to the Prevention of Cruelty to Animals Act 1986, the act currently does not allow animal inspectors to confiscate any device, item or animal that is believed to have been used in a breach of the act. That would be the case if the item were needed as evidence when pursuing prosecution against a person. If a person is found guilty of breaching the act there is no requirement that forces the guilty party to give up to authorities items used for cruelty or the animal itself. Even if found guilty, they are able to keep the device they used to hurt the animal and/or keep the animal.

The amendment will give animal inspectors the power to confiscate any item they believe may have been used in a cruelty offence against the animal, along with the animal. The item or animal can be returned to the owner later, unless it is illegal to own it — for example, fighting implements. Where the seized item is an animal the court can order on humane grounds or if it is diseased that the animal be destroyed at any time after it has been seized.

Currently there is a loophole which allows people from interstate who were previously prevented from having custody of animals, or having custody on certain conditions, to move the animals to Victoria to avoid the order. This problem is prevalent in border areas — for example, on the New South Wales border around Albury a court could create a restriction in relation to the Albury area but the person may relocate the animal to Wodonga. Therefore the amendment will allow a minister from another state or territory to request that an order that has been made under the interstate equivalent of the Prevention of Cruelty to Animals Act be registered in Victoria, which would make the interstate order enforceable in Victoria.

Currently if an animal is being kept by a person where a court order restricting or prohibiting that custody exists, animal inspectors cannot remove the animal unless they have a warrant for temporary care and treatment. A warrant for temporary care and treatment is not considered appropriate for the contravention of a custody order. The person can only be prosecuted subject to the original order. The amendment will allow inspectors to apply to the court to confiscate and then dispose of or sell the animal which is being held against the order. Costs incurred for the maintenance, care, removal, transport, sale or destruction of the seized animal that are not recovered from the sale of the animal are to be recovered from the owner.

The Domestic (Feral and Nuisance) Animals Act 1994 currently requires dangerous dogs and restricted-breed dogs to be microchipped for permanent identification, but it does not include menacing dogs. A dog can be declared menacing by a local council if it has been proven to be dangerous but is neither a restricted breed nor a breed that can be labelled as dangerous. Because menacing dogs are not permanently identified, it can be difficult to work out whether it has been declared menacing, and this becomes a problem when the dog is relocated from one council area to another. The dog is not listed on the new municipality's records as being a menacing dog.

This is like the debate in federal parliamentary quarters at the moment about an identity card; indeed we are talking about an identity card for dogs. The amendment will make microchipping of all menacing dogs compulsory as a permanent record of the dog's declaration. No matter where the dog is relocated to it will always be identified as being previously declared menacing. That is what the discussion in the federal arena is all about — identifying menacing people and being able to track them — so the concept is certainly not new to us.

It is important for us to be aware that people have a right to be protected against dogs which are intimidatory animals, and there are many members in this house I am sure who could join with me and give examples of where they have been bailed up by menacing dogs. There are probably a few ex-paperboys and perhaps girls who have stories to tell about that. I myself could tell a few but I will save time by not doing so today.

The act currently says that dogs that have been seized because it is believed they were involved in an attack, or dogs that have been declared dangerous, menacing or a restricted breed and that have not been controlled in accordance with the act, are unable to be disposed of if the owner cannot be found or identified. When a dog is seized in this circumstance and the owner can be found, the dog is kept in custody and the prosecution against the owner begins as soon as possible. If the owner cannot be found the dog could be impounded indefinitely. The act will be amended to allow authorities to dispose of the dog if the owner cannot be found or identified within eight days of the dog being seized.

Further, if there is no council order specifying the times cats must be confined to the owner's property or

prohibiting cats in public areas, the act does not allow for cats to be impounded if they are unregistered or unidentified. Changes to the act will mean that cats that are unregistered or have no identification tag or microchip can be impounded. The cat will then be given back to the owner or sold or destroyed under the current act's provisions.

Moving on to the Fisheries Act 1995, currently that act enables fisheries officers to have the power to enter private property other than dwellings, to inspect paperwork in order to see whether the act is being complied with. Changes to the act will give authorised fisheries officers the power to request the documents to be supplied to them. A person will be required to produce the documents which they have requested. This will certainly facilitate more effective compliance, management and I dare say a great deal less intrusion in relation to physical inspections of paperwork if people who are under surveillance are simply required to produce documents. That is obviously a good measure.

Fisheries notices can be used to set or amend catch limits and fishery closures, but they cannot now be used to set the minimum and maximum size for fish takings. The amendments to the act will allow fisheries notices to be used to set minimum and maximum size limits. This way the sizes can be adapted short term to ensure the ongoing sustainability of fisheries depending on fluctuations in environmental, social and economic circumstances — for example, during holiday periods in popular fisheries the size limits could be altered to make sure the region is not overfished.

Thus I set out the principal changes encapsulated in this omnibus bill. I wish to make two brief further comments, specifically in regard to fisheries notices. While the opposition is not opposing this measure and does not intend to delay the time of the house by having a long and detailed debate — the minister I am sure will be grateful — and is not seeking to take the bill into committee to get assurances from the minister, perhaps the minister at the conclusion of the second-reading debate might like to make a comment to the effect that it is not the intention of the government to have the minister responsible for fisheries issuing fisheries notices in respect of any fishery that will subvert the proper regulation-making powers under the act which bring matters before Parliament.

It is quite clear that fisheries notices could be abused by becoming a de facto regulation rather than being used for the purpose for which they were originally created. The Minister for Local Government, who is at the table, has a deep and detailed knowledge of fisheries, knows that they were created for the purpose of effecting emergency interventions, that the bases upon which our fisheries are managed are as a matter of statute law and regulation and that the fisheries notices mechanism was always seen to be a last resort for short-term interventions for better protection of our fisheries.

It would be delinquent of the Parliament not to take note of the fact that the power being given under this provision gives a much greater capacity for the government to intervene without the proper scrutiny of the parliamentary process that is entailed in a fishery that is properly managed under regulation. I will be looking for some comfort from the minister on that issue.

I have two final points. Firstly, during the extended consultation process that we undertook on this bill we contacted several dozen stakeholder groups and eventually received no negative, adverse or critical comment about the bill as such, except we did receive strong representations from one local government authority, the South Gippsland shire, which made a submission to us saying that while it did not object to the changes it wanted on record that councils are no longer consulted during changes to acts that affect local government. The council said that changes to acts such as these must be implemented by a local council, but it received no notification of these changes or support in implementing them.

It is worthy to note that in relation to the changes proposed by the bill, particularly to the Domestic (Feral and Nuisance) Animals Act with which local government is deeply involved, the council found that no information had been provided by government, and the only knowledge council has of this legislation is as a result of the opposition bringing it to its attention. As a matter of record, just so the government is aware of what the opposition does because I suspect the government has no idea of what opposition members do in preparing to consider legislation in the Parliament, they contact every stakeholder group who could possibly be affected by the legislation that is brought forward. In the case of this bill in particular we had a lot of consultation with fishing industry organisations, both recreational and commercial, to see if they had any comments to make on the fisheries aspects of the bill. We contacted other organisations that have an interest in the Prevention of Cruelty to Animals Act in particular — a large number of organisations — and, of course, local councils because of the implications for their stewardship of the amended act in the event that the Parliament agrees to it. That is standard operating procedure from the opposition.

It is not the first time that I have had a response such as this from South Gippsland shire, but I thought it was worthy to note, particularly in this debate, which is not a controversial one. It is not a debate where political points are sought to be scored at all; it is a debate simply for the opposition to put on the public record its position on this bill. In so doing I have been requested explicitly by the South Gippsland Shire Council to make the point for the record that it is totally inappropriate for government to be persistently making changes to law which councils are obliged to implement without any consultation with councils. That is a reflection of inadequate process. I can confidently say that in my experience when we were in government we would certainly not have overlooked that proper consultation. I do not know why it is that this critical comment is coming out so regularly about the Bracks government.

Having said that, the only other comment I would like to make about the bill is that this seems to be the most important thing that Bob Cameron, the Minister for Agriculture in another place, has been able to develop in a legislative sense in the last year. I am a bit surprised, given the important needs of the agricultural sector. Although I do not diminish the importance of this bill and the changes that are brought to account in the bill, I do have to say it is disappointing to me that we are not seeing from the Minister for Agriculture any legislation reflecting a new policy direction for developing our productive agricultural base in Victoria. There are some in the community who are now calling Bob Cameron the Minister against Agriculture. At this stage I would rather refer to him as the Minister for Cats and Dogs, because that is about all we hear about from him these days. Without further ado, I indicate that the opposition will not delay the bill.

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

Quorum formed.

Hon. B. W. BISHOP (North Western) — I am pleased to rise and on behalf of The Nationals make a short contribution to the Primary Industries Acts (Amendment) Bill. As we see it, this bill is a bit of a sweep-up bill across a number of sectors. We in The Nationals are not opposing this bill.

The bill deals with basically three acts. I will deal with the first two in the first part of my contribution. The first act that the bill amends is the Prevention of Cruelty to Animals Act 1986. It is interesting to note that as time goes along these sorts of things pop up. It was discovered that there was no power in the act for anyone to seize anything, be it an animal or bits and pieces that could have been used, for example, in dogfights or in cockfights, which might have been needed as evidence and used in the courts; and after which a number of those things would have been returned and a number retained depending on the level of the offence. The amendments now give the power to seize the things that might be required to be seized.

The second point I wish to talk about is the old cross-border issues. Those that live on state borders understand the difficulties we get into with these cross-border anomalies. This is a case where if someone was under an order for cruelty to an animal, for example — and it may have been in Dubbo in New South Wales — they could have tried to shift the animal to Victoria in an effort to dodge the order and they could have been lost in the maze of bureaucracy. But the amendments in this bill now allow the minister in New South Wales or anywhere else to register an order in Victoria. I understand that will be done in individual cases. I think it is a good idea. I also understand the Victorian minister must agree to that registration of an order in Victoria.

I also note the comment — I believe it was in the minister's second-reading speech — that more work is being done to improve the system across our borders. It is a good idea that a lot more work is done to ensure that border issues do not become a real impediment to our lifestyle in country Victoria, and New South Wales or South Australia for that matter. I was disappointed that the government has not responded to calls we have made to raise the status of organisations such as the cross-border anomalies committee. I understand that has been watered down or weakened over time and it has been basically left to the departments. I do not think that is a good idea.

I would certainly like to see, as would a number of my colleagues who live along the border, a lot more horsepower put into that cross-border anomalies committee to ensure we can get a very crisp resolution on some of the things that arise from time to time. It might be different training accreditations across the borders, or it might even be, as we have noticed in this house before, differences in the chain of responsibility for legislation between the states. I urge the government to do that.

There is also no power in the present act for the following situation. We are advised that even if there has been a contravention of the act the inspector cannot through the courts seize, sell or dispose of a starving horse, cow or dangerous dog. The amendments will allow the inspector to apply to the court and do the sorts

of things which will speed up the process and make it much more practical.

The second act that is amended by this bill is the Domestic (Feral and Nuisance) Animals Act 1994. These amendments expand the requirement for microchip identification of dangerous and restricted dogs; a new level of menacing dogs is added. There is no doubt that with the microchip in the dog's ear it is far easier to track the dog; and if the dog and its owner move across to another municipality the dog can be tracked via the microchip. They can also check on the housing and control requirements of the animal, which are quite specific.

If a menacing, dangerous or restricted dog attacks someone, the proceedings against the owner must be immediate. This is an interesting issue. At present the dog is kept until the proceedings conclude. However, if they cannot find an owner for a dog in this situation, at the present time they have to hang onto the dog in the pound regardless of what proceedings takes place. In fact, as I understand it, there cannot be any proceedings if they cannot find the owner. This amendment means a notice needs to be served on the owner and if the owner is not traceable within 14 days, the process proceeds.

The bill provides that a dog can be destroyed in two circumstances. It can be destroyed if the owner has not provided his or her current address in response to a notice served under proposed section 80(3)(b), which is what I was talking about just before. A dog may also be destroyed if the owner is unable to be identified from a marker attached to, or a device implanted in, the dog and the council has not received sufficient information about the owner to prosecute that owner within eight days after the dog has been seized. Obviously these amendments have received some attention to make the process better.

The next issue in the Domestic (Feral and Nuisance) Animals Act concerns cats. We are advised that at present unless municipalities have made specific orders they have no real power to gather up an unregistered or unidentified cat. This amendment allows that to happen. The cat can be returned to the owner, sold or destroyed. This will happen as it does under the present rules. This change gives the municipality the power to do that if it so wishes.

The Fisheries Act 1995 is being amended to allow authorised officers to request documents to reduce the search and enter process we have. I understand this is mainly in the paper trail issue with the abalone industry. We are advised it will cut down the administration. If it does that, obviously it is a good move.

The amendments to the Fisheries Act also extend the fisheries notices so they can set maximum and minimum sizes. At the moment these notices can declare, set or amend catch limits and fishery closures. This amendment will allow for much more responsive action, given the opportunity to set the maximum and minimum size through those fisheries notices. That should be okay. It should ensure that that is done in a much crisper fashion. I have noted that some people get a bit nervous about the overuse of regulations. We in The Nationals certainly do so we will keep a bit of an eye on that just to ensure that it works as the amendment intends it to.

Each time I come to this house and talk about animals, the prevention of cruelty to animals and feral and nuisance animals I think of a good friend of this house and a good friend of mine in the Honourable Dick de Fegely. Dick was always able to work his way through these issues which were sometimes very difficult. I can remember a number of times in these areas Dick de Fegely's skill in managing that process was beyond the call of duty. He did it very well.

One of the bills I remember quite distinctly in this house is one Mr Stoney played a part in. I do not have the correct title of the bill, but we in The Nationals refer to it as the Dogs on the Back of Utes bill. We had a very entertaining time in this house when we discussed that bill. A number of us thought that the provisions in that bill relating to dogs were much more restrictive than they should have been. It is a pity that we are not often able to talk about things like that in discussions of bills in this house. Mr Stoney and I spoke at length on that bill about the dogs we had had on our farms and how we enjoyed them whether they were working dogs or pet dogs.

I have looked around and there are not as many dogs in the Mallee now as there were before.

Mr Viney — Too many fell off the back of utes.

Hon. B. W. BISHOP — No, it is not because they have fallen off the backs of utes. In fact, in that debate about the dogs on the back of utes I made a very strong plea that I thought the ownership papers for the utes should be issued to the dogs rather than the owners because of their liking of riding around on the back of utes. However, I think the reason there are not as many dogs in the Mallee is agriculture has changed. We have much more grain growing and less stock in the area now so obviously there are less working dogs. In a way that is a pity because I reckon the affinity between an owner and a dog is one of the greatest things you can ever have. There is only one dog on our son's farm. It is

a dog called Nick. Nick is pretty harmless. He has become overweight as the years have caught up with him. He is what you would call an around-the-house-and-shed dog. He goes down to the shed and works intermittently.

I cannot resist the opportunity to spend 2 or 3 minutes on dogs we have had. A dog I can always remember as a kid was called Lass. The way these dogs could manage their work was amazing. My father would get up in the morning and this dog would go and get the cows so when he returned to the milking shed the cows were there. Lass did that morning and night all the time she lived. I am disappointed Mr Stoney has not spoken on this bill because we could have recounted stories of various other dogs we have had. I am sure we have had many, but I will not take up the time of the house with that. However, I think it is a pity that we in this house cannot often talk about things that we have done in the past and bring a bit more humanity into the place than we seem to do now.

Hon. E. G. Stoney — What about Watto?

Hon. B. W. BISHOP — Mr Stoney is tempting me. Neil Lucas's dog was called Watto if I remember rightly. I think Watto passed away if I think back over the time I have been in this house.

I could talk on the dogs in our place for a long time but the philosophy I want to finish on is it is very difficult for most people in this house to understand how people can be cruel to animals. It is sad in a way that we have to have acts of Parliament to be able to care for animals when people should do that as a matter of course. I know all good farmers look after their animals well. If there is a drought and things are tough on farmers and on the animals, the farmers suffer with the animals. It is a pity that we cannot often bring that sort of humanity into the house. I have spent a couple of minutes on it today and we have spent a bit more time on it in the past. If this bill helps in any way the prevention of cruelty to animals and other things, The Nationals have no problem with it. We do not oppose the bill.

Mr VINEY (Chelsea) — I am very pleased to speak on the Primary Industries Acts (Amendment) Bill, and to indicate my support for the legislation before the house today. I will not use up a lot of the time of the house because, as outlined by Mr Bishop in his contribution, the bill is an important set of amendments which will improve the capacity of officers to enforce the law in relation to the prevention of cruelty to animals.

I think they are important amendments to the bill. Looking at the original act of 1986, it is surprising to find that legislation that has been in force for nearly 20 years has not included powers to seize items that may have been used in examples of cruelty to animals, even if those items might be necessary as evidence for charges relating to offences against that act. Nevertheless that has been identified and this legislation is putting those changes in place. There seems to be continuing and useful cooperation between the jurisdictions. The provisions in the bill relating to some of the cross-border issues, again mentioned by Mr Bishop in his contribution, are important developments.

In relation to the Domestic (Feral and Nuisance) Animals Act, the amendments provide that menacing dogs must be identified by microchip identification. It is important that where people have a dog that has been identified as menacing and conditions apply to that animal regarding its containment or management which have been undertaken in the jurisdiction of a particular local government area, if a person moves the identification of the dog goes with any change of address. They are sensible provisions. Further provisions provide for the disposal of a seized dog where the owner cannot be identified or located and where the dog is reasonably believed to have been involved in an attack or, in the case of a dangerous, menacing or restricted breed dog, there is a reasonable belief it has not been controlled in accordance with the act. The bill provides a power to impound unregistered or unidentified cats found at large in the absence of a council order. Again, they are useful amendments to the principal act.

Amendments to the Fisheries Act extend the power of authorised officers to request documents to avoid unnecessary entering and searching of premises to obtain those documents where the person can provide the documents upon request. It allows for fisheries notices to be used to set minimum and maximum size limits for the taking of fish. I understand Mr Philip Davis has raised questions about some of these issues and those matters will hopefully be addressed by the minister at the conclusion of the second-reading debate.

I want to pick up on a couple of issues raised by Mr Philip Davis in his contribution about consultation. It is worth noting that Mr Philip Davis wants to speak about the fact that the opposition undertakes consultation with various stakeholders, but I assure him that the government has undertaken extensive consultation in relation to a number of stakeholders regarding this legislation, including the Animal Welfare Advisory Committee, the Domestic Animal Management Implementation Committee, which includes representatives of the Australian Veterinary

Association, the Lost Dogs Home, the Royal Society for the Protection of Cruelty to Animals and cat owners. Additionally direct consultation has taken place with the Cat Protection Society, the Victorian Canine Association and the Victorian Farmers Federation.

I note that the Honourable Philip Davis, in particular, was expressing concerns about consultation with local government. The'' advice I have been given is that extensive consultation was undertaken directly with the Municipal Association of Victoria, Local Government Professionals and the Victorian Local Governance Association. The government has undertaken consultation with all these bodies in the course of the preparation of this legislation. I might add that that is in contrast to the type of approach to local government that the Liberals took when in government — sacking all local councils bar Queenscliffe and implementing its agenda not just in terms of the infrastructure of local government but the range of things about the way local government was managed, such as compulsory competitive tendering, which ended up with lots of lost jobs and, as with this bill, had a substantial impact on regional and rural Victoria.

One of the big reasons there was a backlash against the government in 1999 was because of that government's failure to consult. It is a bit rich, particularly in relation to the Honourable Philip Davis's comments about consultation with local government, that the Liberals come in here today and suggest they hold some high moral ground on this issue. They clearly do not. The consultation the government undertakes on all its legislation is very thorough. This bill is no exception.

I want to also say that in the context of comments by the opposition about consultation we know that because this bill has a particular impact on rural Victoria in terms of the many issues associated with animal management and fisheries, the proposal by the Liberal Party to abandon tolls on the EastLink project will have a major impact on rural Victoria. It will likely end up with the abolition of the Department of Primary Industries, which is one of the suggestions that has been made. These are matters that I am sure the people of rural and regional Victoria will consider very carefully regarding the promises made by the Liberal Party on the EastLink toll project. We know there is a clear division between the opposition and The Nationals on this because The Nationals understand it will result in substantial cuts in services and facilities available to rural Victoria.

I appreciated Mr Bishop's contribution particularly in relation to dogs on farms. I have to say that both the Minister for Finance and I on this side of the house— and perhaps Mr Vogels might have some knowledge of this — have a history of having been raised on a dairy farm. In my case, having been part raised on a dairy farm, I certainly spent all of my weekends milking 110 cows through a walk-through shed, which takes quite some time. I am not sure how many members of The Nationals have milked cows.

Hon. B. W. Bishop — I have milked them by hand!

Mr VINEY — Mr Bishop is showing his age when he says he has milked them by hand. I know Mr Hall has admitted to me that he has not milked any cows. It shows the depth of the government's connections to rural and regional Victoria. I remember on our dairy farm that we had a great blue heeler named Womble. Womble was famous for being able to go down to the flats and round up the cows and save quite a number of minutes during the round-up of the cows in the morning. You could just about walk straight up to the milking shed and Womble would bring the cows up for you.

The farm is no longer a dairy farm, but there are still plenty of dogs around, which seems to be part of farm life. I think there is now only one dog in the family still on the farm, because we recently lost one that lived to 18 years. A number of the visitors to the farm always seem to bring their dogs with them, so there seems to be a large number of dogs floating around. Dogs on farms are part of rural life. I recall a former Minister for Agriculture in the other place, Keith Hamilton, speaking eloquently and at length during question time on a number of occasions about dogs on the back of utilities. I felt very informed about dogs on the back of utilities.

I have to say, since we are putting the history of our dogs on record, my very favourite dog was my first as a child. That dog was Alphonse. When I was a child and anyone asked where Matt was, first of all they would look for the dog and then they would know where I was.

Hon. Andrea Coote — What kind of dog was it?

Mr VINEY — It was a bit of a mix, but a dog I loved dearly as a kid.

This legislation sets in place some improvements to the current acts. I appreciate the indications of support that have been made by Mr Davis and Mr Bishop and I wish the bill a speedy passage.

Hon. P. R. HALL (Gippsland) — I rise today to set the record straight. Mr Viney claims I have never milked a cow. That is far from the truth. I want to set

the record straight in the Parliament here today. When I was a child my grandparents had a farm and they had a house cow. It was a poultry farm; they ran a few sheep and a house cow. One of the greatest pleasures I had as a young boy was to bail up the cow of a morning. My grandfather allowed me to tuck my head against the flank of that cow and milk it by hand. There was no greater experience and joy that I had as a child than physically and manually milking a cow. Beyond that my younger brother suffered from bronchitis as a child. It was recommended that he add goat's milk to his diet. So in the town I milked a nanny goat morning and night, physically by hand. It is true I have never been employed to milk cows on a daily basis using electronic means. Although I have had the experience of being in a milking shed when that has taken place, I have never been in charge of doing that myself. But to set the record straight, I have milked cows on many occasions by hand rather than electronic means. Members should not be misguided by the comments of Mr Viney on this matter again.

As my colleague the Honourable Barry Bishop has said, these are sensible measures which The Nationals are prepared to support. While I have the opportunity I would like to impress upon the house the importance of the primary industries to the people we represent in rural and regional Victoria. Too many people underestimate the importance of the primary industry sector. I particularly refer members to an article in the business section of the *Age* of Monday this week. Under the heading 'Farms still hit by impact of drought' it gives a very good analysis of the importance of the agricultural industry in Victoria. According to Australian Bureau of Statistics figures for 2003–04 there were 2.4 million beef cattle, 1.9 million dairy cattle and 20 million sheep and lambs in Victoria. The viability of just about every country town in the electorates many of us represent in country Victoria depends on those primary industries. Without them our service industries, our families and employment opportunities would all suffer. It is important that we acknowledge the importance of the primary industries to the Victorian economy. Although in percentage terms they represent only a small number — only 5 per cent of Victorians are now employed in a direct or indirect relationship with the primary industries — they are so important and continue to be the basis of the economies of the towns we represent.

I am a strong supporter of the primary industries. I have enjoyed the experiences I have had in working within the primary industries and as I said I particularly wanted to set the record straight on the milking issue raised by Mr Viney so no one should ever let him get away with that again. With those brief comments I add my support to this bill.

Hon. J. H. EREN (Geelong) — The bill before us today, the Primary Industries Acts (Amendment) Bill — —

Hon. Andrea Coote — Have you milked cows, goats, anything?

Hon. J. H. EREN — No, I have never milked cows and I am not sure Mrs Coote has either.

It seeks to amend several acts: the Prevention of Cruelty to Animals Act 1986, the Domestic (Feral and Nuisance) Animals Act 1994 and the Fisheries Act 1995. Several parts of this bill deal with giving officers, such as Royal Society for the Prevention of Cruelty to Animals (RSPCA) inspectors and fisheries officers, more power to do their duty. There is not much use having laws to protect animals and wildlife if our officers' hands are tied while trying to uphold the law.

I will deal firstly with the changes to the Prevention of Cruelty to Animals Act. I want to briefly outline some sad stories we have seen on television and in the print media such as animals being starved to the point of death. There are cases being heard in local courts of people torturing and killing animals such as dogs and kittens. The details are too ghastly to speak about in this chamber, but needless to say I am ashamed of the way some people treat animals in this state and indeed around the country. The RSPCA does a great job. The organisation has its critics, but, overall, inspectors have a thankless and sometimes dangerous job. They do it very well. I could not imagine what it must be like to go to a property and find animals in great distress or an even worse state. But it must bring some satisfaction when the perpetrators of these crimes are brought to justice. I assume it is not always an easy thing to do especially under the present laws. An example of this is RSPCA inspectors not having the ability to confiscate items believed to have been used in cruelty to animals. The act before us today will give RSPCA inspectors the power to do this and therefore make their ability to gather evidence much easier.

The amendment to the act will provide an inspector with the power to seize anything that the inspector reasonably believes has been used in connection with an offence under the act or regulations. Where a thing is seized it may be returned to the owner unless it is an offence to possess, set or use that thing — for example dogfighting or cockfighting implements. Regarding events such as dogfights and cockfights, I imagine it must be hard for officers to prove an offence has taken place after the event without being able to show the

equipment used, such as the metal spurs used in cockfighting. And even if a person is convicted, currently there is no power for an RSPCA inspector to seize the equipment to stop them from doing it again. This bill will give them the power to do that.

Last month in South Australia the RSPCA and the police were able to bust a cockfighting ring in Adelaide's northern suburbs. They confiscated 30 birds and several sets of needle-sharp fighting spurs, which is something this bill will allow us to do in Victoria. I will quote from an article that appeared in the *Australian* of 25 July 2005 about the South Australian raids. An RSPCA spokeswoman is quoted as saying:

> Cockfighting is one of those events where it is hard to pull off a successful raid, but we were very happy that we were able to save these birds before they were put through this barbaric act.

The RSPCA believes the chickens had come from Melbourne and Sydney just hours earlier. The spokeswoman was quoted as saying that cockfighting was 'a national problem'. We have to remain vigilant and give our RSPCA officers the power to do their job properly and not be frustrated. The amendment to the act will enable an inspector to apply to the court to seize and sell or dispose of an animal where the inspector reasonably believes the animal is being held in contravention of an order. This bill improves law enforcement procedures by the RSPCA and will help in the fight against cruelty to animals, which to my mind is abhorrent. The bill is certainly something we should all support.

I turn to the changes to the Domestic (Feral and Nuisance) Animals Act 1994. Having five children in the family means we have had our share of pets — birds, a lizard, a rabbit, a cat and a dog. The dog was a blue heeler named Banner. He is actually my brother-in-law Patrick's dog. We had Banner for several months. It was an absolute pleasure, because he was a great dog to have. He was good around children and other pets. Our mutated rabbit, Bugsy, which when we bought him from the pet shop was this cute little black and white thing, grew and grew. He was huge and actually growled. I do not know how that happened, but he growled. He was quite grumpy as he got older. Apparently he was a Himalayan breed of some sort, which the pet shop did not tell us — they certainly did not tell us he would eat so much and grow so much. After their first meeting Banner was smart enough to know not to go near Bugsy and avoided him at all times, which was funny to see. I did my best to ensure that they were good tempered and not a threat to themselves, my family or the wider community, especially Bugsy.

Some people are less responsible, and that is why we need laws to ensure that people are protected from dangerous dogs. At present the act requires dangerous and restricted breed dogs to be permanently identified by microchip identification but not menacing dogs,. This certainly makes it hard if the owners and the dogs move to another municipality, because there is no way the new council can tell if the dog has been declared menacing. The consequences of the situation are the potential inability to trace menacing dogs that have been moved to another municipality and a lack of enforcement of the housing and control restrictions imposed under the act. The proposed amendment will enable relevant provisions of the act to function more effectively in relation to menacing dogs. The bill will also allow for the disposal of a seized dog where the owner cannot be identified or located.

The bill also recognises the need to control cats in our neighbourhoods. The bill gives the power for unregistered or unidentified cats found at large to be seized. Unless a council has a rule about cat curfews, it cannot do this. I know it is hard to control cats, but I think people have to recognise in this day and age that it is unacceptable to allow your cat to roam at night and threaten native wildlife.

The Primary Industries (Amendment) Bill also makes amendments to the Fisheries Act relating to requesting documents and the short-term management of fisheries. Currently fisheries officers may enter land or premises, other than a dwelling, to inspect documents to ascertain whether the person has the lawful right to do what they are doing. This bill will allow officers to ask for the documents rather than having to hunt them down, which is a much easier and better way of doing things. The bill also clears up some of the problems with identifying minimum and maximum catch limits. Overall, this is a sensible bill that will go a long way to improving the acts it sets out to amend. Therefore I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

Ms BROAD (Minister for Local Government) — By leave, I move:

> That the bill be now read a third time.

In so doing I wish to respond in the following terms to a matter that was raised by the Leader of the Opposition in his second-reading contribution in relation to the matter of fisheries notices. I can indicate on behalf of

the Minister for Agriculture that fisheries notices are issued under the Fisheries Act by the minister after consultation with relevant consultative bodies, and fisheries notices are used for a variety of purposes consistent with the objectives of the Fisheries Act. They are generally used only as a short-term measure to address a specific issue, and they last for 12 months unless they are revoked sooner than that. Notices ensure a responsive and adaptive approach to fisheries management in Victoria.

Longer term management measures are provided for by a notice that is replaced by regulation, and the making of regulations requires a regulatory impact statement (RIS) under the Subordinate Legislation Act 1984. This includes a statutory consultation process, as does the making of a fisheries notice. I can further indicate that there will be circumstances where a notice is preferred over an RIS process due to the shorter time frame involved. However, both fisheries notices and regulations will continue to be used appropriately depending on the particular situation at hand.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

RULINGS BY THE CHAIR

Questions without notice: media statements

The PRESIDENT — Order! With respect to a point of order raised by the Minister for Energy Industries and Resources regarding the rules on the asking of questions, I do not uphold the minister's point of order on the question asked by the Honourable Bruce Atkinson of the Minister for Sport and Recreation. The question asked by the honourable member does not breach the rules of the house with respect to asking for an opinion on a newspaper article in today's newspaper.

ENVIRONMENT AND WATER LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 16 August; motion of Ms BROAD (Minister for Local Government).

Hon. E. G. STONEY (Central Highlands) — I rise to speak on the Environment and Water Legislation (Miscellaneous Amendments) Bill, which makes miscellaneous amendments to the Sustainable Forests (Timber) Act 2004, the Safety on Public Land Act 2004, the Victorian Conservation Trust Act 1972, the Water Act 1989 and the Melbourne and Metropolitan Board of Works Act 1958. The difficulty with this bill is that it is a bit like the old adage of the curate's egg — it is good in places and very bad in others. The trouble is that it is the one egg, or the one bill, and parts of this bill are so bad that we cannot support them. If it were an egg we would throw it out, so we had no option but to oppose the bill.

I think the best solution would be for the government to withdraw the bill and clean it up, and I hope that the house will accept my reasoned amendment. Therefore, I move:

> That all the words after 'That' be omitted with the view of inserting in their place 'this bill be withdrawn and redrafted to — (a) retain the provisions relating to the Sustainable Forests (Timber) Act 2004, the Safety on Public Land Act 2005 and the Victorian Conservation Trust Act 1972; and (b) take into account the outcome of public consultation with key stakeholders on the effects of the proposed amendments to the Water Act 1989 and the Melbourne and Metropolitan Board of Works Act 1958'.

Our intention is to see if the house will accept our reasoned amendment. If it does not we will take the bill to the committee stage and move amendments to clause 14. Our amendments would reduce the minister's unfettered power to change draft management plans without reference to the consultative committee, would require the minister to provide reasons if he refused a management plan and would also clean up the process of tabling management plans.

We have before us an omnibus bill which deals with acts relating to forestry, safety on public land, water, and the former Melbourne and Metropolitan Board of Works (MMBW) and Victorian Conservation Trust. It is a classic omnibus bill which, as I said earlier, contains some parts that we simply cannot accept, so we have to oppose the lot. That is a great pity, because the forestry and safety amendments are fully supported and are needed. We called for them in debate at the time the original bills went through. The opposition identified the deficiencies that have now been picked up, amended and improved, so it is with a heavy heart that we have to now say that we cannot support a bill with those parts in them, because they are badly needed to clean up a few things in that area.

Of course the government would not accept, admit or give any quarter on the fact that it missed these things

in the original bills that are now being cleaned up with the amendments. The fact that it would not give a quarter or anything like it shows a great weakness in the government. It was that same attitude that saw the government put through the bill relating to the mountain cattlemen, the alpine national parks bill. It totally ignored the part the cattlemen have played in the high country for 170 years. It did not make any mention of or give credit to what the cattlemen have done in search and rescue, opening up the country, building huts, packing in supplies, developing tourism and 100 other contributions to the high country. The government's treatment of the cattlemen in the announcement was a disgrace. The government tends to ignore anything at all that goes against it or anything the opposition has thought of or is doing. It totally ignores anything good the opposition parties might put up, or, if it picks anything up, it totally ignores giving any credit to the opposition parties.

Clause 3 substitutes a new section 20(3) in the Sustainable Forests (Timber) Act 2004. The second-reading speech outlines that section 18(1) of the act provides that a review of timber allocations must occur every five years and says of section 18(2):

> Section 18(2) provides that additional reviews may be undertaken if the minister considers that there has been —
>
> (a) a significant variation in timber resources due to fire disease or other natural causes;
>
> (b) a significant increase or reduction in the land base which is zoned as available for timber harvesting; or
>
> (c) any other event or matter which has a significant impact on timber resources.

That is quite clear and straightforward. The speech goes on to say:

> In the case of a five-year review under section 18(1) or a review in response to a significant impact on timber resources under section 18(2)(c), any decision to reduce the timber resources allocated to VicForests can currently be phased in over the 10 years following the review. To improve security of supply to VicForests, the proposed amendment will require that any reduction following such a review may only occur 10 years after the review.

The government claims that this will provide greater certainty to VicForests, and that it will be able to enter into longer-term supply arrangements with its customers — of up to 10 years, the government claims — and that this will increase the industry's capacity to invest and will encourage it to invest in improved technologies and value-adding, which in turn will improve the lot of our regional communities. I think the critical part is the following:

> … a reduction in timber resources can occur before the 10 years has elapsed with the agreement of VicForests.

We have a situation where, if there is agreement with VicForests, we can have a reduction in timber resources before the 10 years have elapsed.

Clause 4 provides for more flexible arrangements for the resolution of suspension notices relating to the rectification of damage in timber harvesting operations. I think that is quite a good thing.

I have to say again, as I have mentioned many times in this house, that there is serious disquiet with the pricing and allocation operation of VicForests. I have referred to it several times in this place in respect to mainstream forestry, but now there are issues with VicForests over — can you believe it? — firewood. The allocation of firewood appears to be its next target. I had a phone call from Mr Mick Stormer of Warburton. Mick is a commercial woodcutter who has retail outlet customers from Warburton to Seville. He sells packaged firewood and kindling. He was a tree feller from the age of 16 until sickness saw his career change. He is now into firewood. He collects wood from anywhere he can around coupes. He gets a commercial licence from the Department of Sustainability and Environment (DSE) for each location. He pointed out that the public can also get domestic licences so that they can collect. He was working near Marysville. There was some trouble at a coupe, so the department locked the gate, which he said was fair enough. Then the DSE told Mick to ring VicForests, and it came on the scene. It told him that in two weeks commercial firewood collection was going to tender. He said that apparently VicForests is now in charge of firewood collection.

Here is someone who has been in the business for a long time saying that obviously there is not a lot of communication between VicForests and its customers, or former DSE customers. Mick stressed that he wants to work with VicForests. He said he is professional. He knows what he is doing, and he selects the right wood. He is concerned that he has been shut out, yet the public is allowed in willy-nilly. Some people are felling trees to get the firewood and selling it for slabs et cetera. He fears that before long there will be an accident, because a lot of the public are not professional, are not trained and do not know how to use their chainsaws. He feels it is quite irresponsible. He made the main point that he is worried about his future, because he knows little about the future allocations and pricing of firewood by VicForests. I make the point that it seems to me a little more communication from and an explanation by VicForests to its core customers would be very helpful in allaying concerns in that area. I recommend that

VicForests look at its public relations and how it deals with its customers, and perhaps give its customers a lot more information. If it did there may be a little less disquiet, because every week my office receives two or three inquiries directed to me in my capacity as Liberal spokesperson for forestry about pricing and allocation and other issues concerning VicForests.

Clause 5 of the bill is an upgrade to the Safety on Public Land Act 2004. Of course we support it, but we will have to vote against it, if you follow my line of reasoning. The safety section improves safety on public land. It establishes and enforces new public safety zones. The Secretary of the Department of Sustainability and Environment (DSE) is able to declare safety zones for various reasons. The declarations are to be published in local papers in brief format, but the full declaration will still be published in the *Government Gazette* and on the Internet. This new safety zone amendment allows documents to be used to assist in the identification of safety zones — for example, maps are especially mentioned. That is a very good idea, because with a good map and a global positioning system (GPS) you can pinpoint where you are and where the safety zones would be with quite a degree of accuracy, even in dense bush. The new technology will assist tremendously in working out where people and the safety zones are, where the industry is going to log and where the public can go. I need to say again that when the original bill was debated the Liberal Party questioned the arrangements because they did not offer enough certainty to the industry. This amendment justifies our original stand.

Part 4 of the bill deals with the Victorian Conservation Trust Act 1972. This amendment allows land which is subject to a covenant by the Trust for Nature (Victoria) to have land tax and the relevant rates on that land remitted by the minister in conjunction with the Treasurer. It is not quite as straightforward as it appears. In some circumstances these taxes and rates would have to be repaid if covenants were withdrawn in the future, which is of some concern. Perhaps if the land changes hands or something happens, the money that has been refunded might have to be repaid, which is a bit of a downside. The bill provides for the numbers on the trust board to be reduced to assist in achieving quorums at meetings, which is quite sensible and something which we would support if we could.

I now deal with the section of the bill that amends the Water Act, which we do not agree with. The government claims that:

> Part 5 of the bill amends the provisions of the Water Act 1989 to improve the management of water supply protection areas. The change will allow management plans to impose restrictions on taking ground water to prevent a maximum or average ground water level … being exceeded.

We have enormous problems with this. We believe that local consultative committees are being sidelined and that the minister is being given far too much power. The present position is that a draft management plan is created by a consultative committee to make sure that the water resources of a particular supply protection area are managed in a sustainable way. The good part about this is that local farmers make up half the committee. Our concern is that under this bill the minister can change willy-nilly the draft management plan drafted by the consultative committee. The minister can get the plan and do anything he or she wishes with it. We might ask why would the committee bother putting in the enormous amount of work that is required when the minister can do anything he likes with it? Worse still, the minister can refuse the draft plan and totally bypass the work of the committee. Our concern is that local knowledge will be flushed down the drain with this process and the minister, sitting at his or her desk in Melbourne, can make a unilateral decision. You would have to ask why any committee would bother doing the work.

Fifty per cent of the committee is comprised of local farmers, who potentially may be totally ignored. There is no way local people, who have their hearts in the right spot and, especially these days, have learnt so much about how to manage their land, remnant vegetation and water, would give anything but sound advice, because they know that if they give poor advice they will be the ones in the end who will suffer the results of any poor recommendations or decisions that are implemented. We have come an enormous way in the last generation on how best to manage our land.

Of course the Victorian Farmers Federation (VFF) is very concerned about this. It has written a letter expressing its concerns. The letter is signed by Bill Whitehead and addressed to my colleague in the other place the member for Benambra and shadow Minister for Water, Tony Plowman. Mr Plowman has passed the letter on to me, and I will quote a couple of sections of it, as I know my colleagues in The Nationals no doubt will. Luckily I am doing it first:

> The VFF's interest in the bill is specifically with regard to part 5: amendments to the Water Act 1989. The bill recommends major changes to the powers of community consultative committees to develop management plans for water supply protection areas (WSPAs).
>
> In particular, the proposed amendments could have the effect of taking the development of WSPA management plans completely out of the hands of the affected community and placing that power in the hands of the minister and department in Nicholson Street, East Melbourne, in instances

where the minister refused to approve a draft plan prepared by the consultative committee.

…

The VFF accept that the current legislative options are overly restrictive on the minister. The VFF is also of the firm view that the process needs to be fixed to allow WSPA draft management plans to be considered by the minister, slight revisions made if necessary and approved.

However, the VFF is opposed to the radical changes proposed in the bill which threaten to take ownership of plans out of the hands of the local community committees.

That is exactly the point I made earlier and why we are opposing the section of this bill.

In particular, the VFF is opposed to:

Clause 14(2) of the bill …

Clause 14(3) of the bill …

It has put up some alternatives:

As an alternative, the VFF has requested the minister consider an alternative process which I will outline following, for the approval of WSPA draft management plans:

The draft management plan is received by the minister;

The minister may approve, or refuse to approve, the draft management plan …

The minister must publish notice of approval or reasons for refusal of draft management plan …

If the minister refuses to accept the draft management plan, the minister must in first instance refer the draft plan back to WSPA consultative committee with a time line to consider the minister's reasons for the refusal, and to provide a revised draft management plan for the minister's consideration (i.e. a new section 32A(7)(a) different to that proposed in the bill):

If the minister refuses to accept the revised draft management plan, then the minister could …

Appoint a new consultative committee to prepare a new draft management plan; or

Make minor amendments to and accept the revised draft management plan; or

Abolish the WSPA.

The VFF makes a very strong point:

Water resource users would have confidence that plans were developed by interested stakeholders with experience in local water resource management. The broader community will be able to have confidence our ground water and surface water resources are being managed sustainably and equitably.

If our reasoned amendment is lost, we will move amendments at the committee stage to in part reflect the VFF's position — a position that we think is very defendable. We have serious misgivings about the bill because of its retrospective nature. If this bill had already been passed it would have badly affected the Katunga irrigators, who have had moderate success recently. It appears the bill will adversely affect a landowner near Bendigo who has a case before the Victorian Civil and Administrative Tribunal. It is most irregular that a government would introduce legislation that could prejudice an existing case and certainly cloud any successful outcome, however strong the grounds of the case may be.

I will briefly mention the case that is before VCAT. I do not intend to be too specific, but I have to make the point about how this legislation may affect such a case. The general facts — without going into specifics or who we are talking about — are that a particular farm was classified in what could be called the free zone, for want of a better term. It was well outside the declared Campaspe deep lead aquifer. Goulburn-Murray Water believed the aquifer was only about 500 metres wide and well west of the farm's location. The farmer requested to be allowed to bore water and was told, 'Go ahead, there is no water there, you are not going to find any'. He was advised to take out an exploration licence and take his chances. He was told if he found any water, which he would not, it would negotiate a price, which implied he could have an allocation.

He did everything he was told to do. He drilled and found a huge supply of good water. He discovered that the Campaspe deep lead aquifer was 2 kilometres wide at that point. Nobody knew about that until he did the work and had spent a lot of money. Within two days Goulburn-Murray Water rang him and said he could not have the water and stopped drilling in the whole area. He says he has been mucked around and that it has cost him a fortune, and he is pursuing it as a matter of principle and a matter of fairness.

It is possible that this legislation here today will stop or affect that case because of its retrospective nature. The government talks about needing a charter of rights in Victoria. This would be a flagrant breach of someone's rights, preventing them from having their day in court or VCAT or wherever and the whole reason behind it is because of the retrospective nature of the legislation. It is against everything that the Liberal Party stands for. Despite the good parts of the bill on forestry and safety we must oppose this part on water because of the reasons I have just given.

To conclude my contribution, I would like to draw the house's attention to a landmark publication on water sponsored by Visy Industries and Pratt Water Solutions.

It is a project supported by the Australian and New South Wales governments and is dated December 2004. The title of this wonderful publication is *The Business of Saving Water*. The opening statement headed 'The business of running a river' says:

> Most Australians now agree that water is one of the biggest challenges facing this country. Yet our water crisis does not stem from an overall shortage of water. Our water crisis arises from our failure to make better use of the water resources we have.

Further down it says:

> For too long the water debate in Australia has focused on making a choice between agricultural growth and the environment. I have never believed this is required. Provided we take the right approach, there is more than enough water available to satisfy the needs of our environment as well as the demands of our growing agricultural economy.

Right up front in this book it states that running a river should be a business and, by implication, it says that a river should not be managed by a 'feel good' approach. It implies that emotion should not be part of our water management. It suggests that hard facts and scientific information should be the considerations in managing our water. In the executive summary at page 2 it explains that the work for this project was done in the Murrumbidgee basin in New South Wales, but it makes the point:

> … the intention is that lessons learnt here will be applicable to other parts of Australia and beyond.

This is a visionary piece of work. Further it states under the heading 'The Pratt water action plan — Seventeen steps to world-class water management', and I believe step 2 is relevant to this bill, so I will quote from that:

> 2. Identify unaccounted water and bring it into productive human and environmental use.
>
> Inventory risk and the lack of confidence in the 'water stock control' system creates a level of uncertainty not appropriate to support major private sector investment.
>
> …
>
> Water authorities and irrigation corporations must apply a rigorous business approach to their water management. This must be aimed at recovering lost water and ensuring it is accounted for using proper stock control principles, and stewarded for human and environmental benefits.

In conclusion, I strongly recommend this publication and commend Richard Pratt for his foresight in raising the stakes and putting a business perspective into the water debate. Water is the single biggest issue facing Australia. However, this bill is a retrograde step, not a step forward in that debate, and therefore the Liberal Party opposes the bill.

Hon. P. R. HALL (Gippsland) — I am pleased to have the opportunity to make a couple of comments on the Environment and Water Legislation (Miscellaneous Amendments) Bill. As the previous speaker has said, this bill amends five principal acts. Some of the provisions in it are quite acceptable; others are not, and we will come to those. The five principal acts are the Sustainable Forests (Timber) Act 2004, the Safety on Public Land Act 2004, the Victorian Conservation Trust Act 1972, the Water Act 1989 and also the Melbourne and Metropolitan Board of Works Act 1958. It is interesting that two of these are recent acts that the Parliament discussed just 12 months ago but we are now coming back and amending them.

The Nationals will not oppose the amendments to the first three: the Sustainable Forests (Timber) Act, the Safety on Public Land Act and the Victorian Conservation Trust Act. I do not think the amendments will make a significant impact on the operation of each of those three acts, so we do not oppose those in principle; but we do feel very strongly about the changes to the Water Act and will elaborate on those during the course of the debate. Because we feel serious issues are involved with the amendment to the Water Act The Nationals will support the reasoned amendment moved by the Honourable Graeme Stoney which states — and I paraphrase — that the bill should be withdrawn and the latter sections of that relating to the Water Act and the Melbourne and Metropolitan Board of Works Act should be rewritten. We would certainly agree with that principle.

However, if that fails to get through debate in the chamber today we will offer the chamber a second option, and during the committee stage I will move to delete clause 14 of this bill, which will give the committee the opportunity to consider the principal objections we have to this bill. We are prepared to say that if the government supports our amendment to delete clause 14, then we would be prepared to support the remainder of the bill. As I said, it gives the chamber a second option to consider and an opportunity to address the concerns expressed by the Honourable Graeme Stoney, which I will reiterate.

I want to talk about each of the amendments to those five principal acts in turn. The first one is the Sustainable Forests (Timber) Act 2004. Clauses 3 and 4 of the bill make amendments to that principal act. The first amendment in clause 3 means that any reduction in the allocation to VicForests as a result of the five-yearly review will be phased in over a period agreed to by the

minister and VicForests. It states that the phase-in period will not exceed 10 years, and if there is no agreement that the reduction must occur at the expiry of 10 years. I will come back to clause 3 in a moment.

Clause 4 enables an authorised officer to issue a written notice of satisfaction to timber harvesting operators that the cause of a suspension order has been rectified. This is eminently sensible. Once a notice of suspension has been issued and the contractor has addressed that particular problem, it should not be a requirement that they go back to the minister to get that suspension lifted. An authorised officer should be able to do that promptly, making for a more efficient operation with the timber harvesting contractor. We do not have any objection to clause 4, nor do we have any strong objections to clause 3. However, I want to talk about clause 3 for a minute.

Clause 3 makes reference to sections 18(1) and 18(2)(c) of the Sustainable Forests (Timber) Act 2004. Those provisions relate to a review of the allocation of timber resources. This was debated in this house just last year, and we commented then that section 18 gives the minister the right to review the allocation of timber resources every five years. Section 18(2) says:

> The Minister may review the allocation of timber resources at any time if —
>
> (a) the Minister considers that there has been a significant variation, as a result of fire, disease or other natural causes, in the timber resources in State forests which are available for timber harvesting in accordance with sustainable forest management; or …

Before I go on to the next paragraph I point out that we do not have any problem with that. Certainly if there is a major fire in a forest, as there was in 2003, there needs to be some reassessment and adjustment perhaps of the area of timber harvesting that might be scheduled to take place in those fire-affected areas. We think that is a legitimate reason for these five-year allocations to be reviewed. But at the time the principal act was being considered we made some more strident comments about paragraphs (b) and (c). Paragraph (b) says:

> … if there has been any significant increase or reduction in the land base which is zoned as available for timber harvesting; or …

That means the government might make a decision based purely on policy, or it might be based on a recommendation made by the Victorian Environmental Assessment Council (VEAC), and then a review of those timber resources can be undertaken. We say it should not be left just to the whim of government to make that sort of decision for a reduction in the available resources for timber harvesting. There certainly should be processes, and if there is a need to put aside an area and protect it from timber harvesting there should be an equivalent addition to areas available for timber harvesting from another forest area within Victoria. We say in respect to that simply that there should not be a reduction purely at the whim of the minister, and that that decision needs to be dealt with by a formal process.

In respect to these amendments to the Sustainable Forests (Timber) Act, by saying that any outcomes of a 5-yearly review can be implemented over a period of up to 10 years the government claims in the second-reading speech that gives more security to the timber industry. I say in response that it hardly provides any greater level of security to the timber industry at all. What we have seen at the moment is that resources are now allocated over a 5-year period instead of over the 15-year licence period that existed in the past, so the timber industry has little security as it is under this new system being implemented by the Bracks government. I claim that the 5-yearly contracts for timber suppliers that are being issued by VicForests certainly do not give those in the timber industry the long-term security they need to invest in that industry.

I think we are seeing that this government has really set out on a path of destruction of the timber industry. We are seeing, for example, legislation in the other house for a new Otways National Park — it has been sitting there for a while now and has not come on for debate yet — through which we will see the end of timber harvesting in the Otways. We have seen through Our Forests Our Future a 50 per cent reduction in the resource availability in central and East Gippsland. If after the next election the Greens get the balance of power, it will be a case of it being all over, Red Rover, so far as the timber industry is concerned. If the Greens have any say and leverage over the Labor government, we may as well forget about a timber industry in Victoria because there simply will not be one. They will lock up every forest that we have in this state.

In addressing these decisions we have to pull our heads out of the sand and think about what we are going to do or how we are going to source our appetite for timber, and particularly for paper and timber products in the form of paper. As it is Australia has a $2 billion deficit in trade in respect to paper, timber and other timber products, yet we are putting aside more and more resource in Victoria. That means that unless we reduce our appetite for timber products and paper by a commensurate amount, we will simply rely more and more on imports into this country. That is what is happening now. We are seeing an increase in the level of importation of paper and an increase in the

importation level of rainforest timbers into this state. Much of the decking material you might go and buy at a local timberyard is all imported product. Merbau is one of those products that all comes from overseas. None of it is grown in Australia at all, and yet that is the most commonly used decking material now.

I say to this house and to the government that when we are considering these decisions in respect to timber resources we need to remember that for every bit that we lock away, put aside, reduce or deny access to for a timber harvesting process we will need to rely more on the importation of material from overseas. I say that we in Australia are far better placed to manage our forests on a sustainable basis than people from some of those countries from which we are now importing a large amount of timber product. In conclusion on that part of the bill, we do not believe these changes will give the timber industry any great sense of security. They might help marginally, but they will have very little impact whatsoever.

I want to make a couple of quick comments about part 3 of the bill, which makes an amendment to the Safety on Public Land Act 2004. When the legislation was introduced last year we saw the government's crude attempt to deal with forest protesters by designating particular areas of our forests as public safety areas and therefore not allowing people, other than those authorised to do so, 'access to those areas'. The amendments in part 3 are technical in nature, the most significant being that a declaration of public safety areas can make reference to maps or charts accessible at another place — for example, on the Internet, at the local VicForests office or at the local Department of Sustainability and Environment (DSE) office. We support that. It is commonsense. If anybody is bothered to look at the notices that currently appear when there is a declaration of a public safety area, they will see that they usually take up a whole tabloid-sized page, with descriptions of where that land is. It would make far more sense to refer people to particular maps or charts where they can have a more detailed look at exactly where the areas are and get a visual description by way of a map of those areas. It is a sensible provision. It is the most significant of these amendments to the Safety on Public Land Act of 2004.

Part 4 of this amendment bill makes an amendment to the Victorian Conservation Trust Act of 1972. A main provision empowers the minister to remit taxes or land rates on land which is subject to a covenant by the Trust for Nature (Victoria). In principle we support that. We believe that if people are setting aside part of their own private property for the good of the greater public, there should be some incentive and reward for them doing so, and that an incentive in the form of land tax relief would be of some help. I also note here that the bill makes provision with the consent, I think — I would welcome some clarification of it — and only with the consent of local government, for local government to forsake rates on that land which is the subject of a covenant by the Trust for Nature (Victoria). It will be interesting to see how local government responds to that.

As we know, local councils are already stretched for funds. They do not have unlimited funds with which to administer their municipalities, and I would hope the government would not apply too much unnecessary pressure on them to agree to this provision. I think the government has the capacity to forsake what will probably be only a very limited amount of land tax in particular circumstances for people who have elected to have a covenant over their property. As I said, in principle The Nationals are of the view that if people are prepared to put covenants on properties to protect native vegetation for the good of the general public, then they should be assisted in some way in doing so or rewarded for doing so. At least this provision is one way in which some small reward might be offered to them.

The other significant amendment to this act provides that the Trust for Nature will have between 6 and 10 trustees with a majority constituting a quorum. If my memory is correct from the briefing, that number is currently 10 and a quorum must be present — this just provides flexibility in the number of people who sit on the Trust for Nature as trustees. As I said, we do not object to those provisions.

We have some real concerns with the amendments to the Water Act 1989, and in particular clause 14 of this bill. As I indicated before, in the committee stage we will offer the committee the opportunity to delete clause 14 in its entirety. Clause 14 is essentially about consultative committees and their role in the formation of management plans for water supply protection areas. I notice that, in part, the amendments here will require the consultative committee to take community comment into account and refer a draft to the minister for his consideration. I think that is appropriate. A consultative committee certainly needs to take the broader views of the whole community on board when considering these issues. We have no problem with that. It is also appropriate that they forward any draft management plan onto the minister.

However, from there on the amendments get a bit messy. As the Honourable Graeme Stoney said, the Victorian Farmers Federation (VFF) feels very strongly

about this issue. It wrote to my colleague and The Nationals' water spokesman, Peter Walsh, the member for Swan Hill in the other place, on 14 June. This letter was signed by the deputy president of the Victorian Farmers Federation, Bill Whitehead. The VFF explained that its interest was part 5 of this bill and made comments about that relationship between the community and the consultative committee and its role in the preparation of draft management plans for water supply protection areas (WSPA). It said this as a general comment:

> In particular, the proposed amendments could have the effect of taking the development of WSPA management plans completely out of the hands of the affected community and placing that power in the hands of the minister and department in Nicholson Street, East Melbourne, in instances where the minister refuses to approve a draft plan prepared by the consultative committee.

The VFF went on and talked quite extensively about this having the potential to reduce the level of involvement by local communities in the development of water supply protection areas. The Nationals agree with the views expressed by the VFF in regard to that matter.

The VFF made particular comment about clauses 14(2) and 14(3). In regard to the first of those clauses it stated that it is opposed to:

> Clause 14(2) of the bill, seeking to provide the minister with power to approve a draft management plan 'with any amendments the minister considers appropriate' without first requiring the minister to consult with the local consultative committee …

I would have thought that there would be some goodwill between a consultative committee and the department in the formulation of these management plans, and I would think that generally there is. After all, people on consultative committees are appointed by government and they volunteer themselves to be involved in the preparation of draft management plans. One would have thought that as they have the first crack at developing a draft management plan, as is required by the act, and they put it up to the minister, if the minister has a problem with it, he should go back to the consultative committee and talk to it to see if there cannot be some mutual agreement as to some changes to the original draft. However, that is not so under clause 14(2) of the bill. There is no requirement for the minister of the day to go back and consult with the consultative committee — the minister of the day can simply make any amendments and not bother to go back to the committee.

The VFF continues that it is opposed to:

> Clause 14(3) of the bill, in general, but in particular to use of those powers without requiring the minister to consult with the local consultative committee in the first instance after refusing a draft management plan. I note, the VFF is opposed to the minister being given power to prepare a draft management plan even after return consultation with the local committee, as under proposed Water Act section 32A(7A)(b) within this clause.

That extends what I was just explaining about the process involved here and our and the VFF's objections to that process.

The last part of the VFF letter I want to quote is this, and I think is important:

> It is our experience that local consultative committees have diligently and constructively sought to carry out their responsibilities, working with relevant authorities, in preparation of draft management plans. These local committees should be given the respect of the minister referring back to them draft plans which have been refused, for further consideration.

That repeats the sentiment I expressed before and the process we think we should follow. There should be goodwill and cooperation between the government-appointed consultative committee and the minister of the day. There should be an ability for the minister to go back and talk about any problems he or she might see with a draft management plan. The VFF says in its letter that it has put that alternative process to the minister. The Honourable Graeme Stoney quoted what it says should happen and I will not repeat that. The VFF is suggesting that the process should be changed in accordance with the dot points it has put to the minister. I think that is appropriate. The reasoned amendment moved by the opposition goes to that point. It says we should go back and rethink these particular sections and put into place a process which is acceptable to all concerned. After all, the VFF is simply suggesting a change in process.

That is about all the general comments that I wanted to make on this bill. It is a shame that the clauses relating to the Water Act are such that unless later in the course of the debate the committee is prepared to accept our amendment to delete clause 14 we will not have any option but to oppose this legislation. This is in spite of the fact that the changes to the Sustainable Forests (Timber) Act, the Safety on Public Land Act and the Victorian Conservation Trust Act are acceptable. They do not do anything exceptional but they are acceptable to us in The Nationals. The changes to the Water Act are not. I am sure the house will enjoy the contributions to be made by my colleagues Mr Bishop and Mr Baxter, who have been closely involved with people who have been developing these water supply protection areas; I am sure their personal experience

will add much to the debate. With those words, I indicate that The Nationals will be moving an amendment but if the committee fails to accept that amendment, we will be opposing the bill.

Ms CARBINES (Geelong) — I am pleased to speak in support of the Environment and Water Legislation (Miscellaneous Amendments) Bill this evening. In doing so, I wish to advise the opposition that the government will not be supporting the reasoned amendment moved by the Honourable Graeme Stoney.

The Bracks government has worked really hard over two terms of government to place our natural resources on a sustainable footing. We have done this to strike the right balance between conservation of our fragile environment and our need as humans to use resources from our natural environment to sustain and support all that makes up our way of life in the 21st century. In our first term we reviewed the forest industry and the available forest resources. This important work was at the basis of our decision to reduce the available forest resources by 30 per cent. This was done for two reasons: firstly and importantly, to protect native vegetation; and, secondly, to protect the timber industry and make sure it was on a sustainable footing. It was not appropriate or correct for Mr Hall to assert that the Bracks government does not support the timber industry — nothing could be further from the truth. We want to make sure that the timber industry has a future in the state, and it was quite clear that if it continued the way it had been, the resource would eventually run out.

Earlier in this term we legislated to establish VicForests. VicForests has the authority to manage the state's forest resources. Today we are seeking to amend the act that set up VicForests to improve the security of supply of timber resources to VicForests. This amendment will improve the security of supply not only to VicForests but also to the timber industry and to the communities that depend very much on the timber industry for their jobs. Under the legislation the allocation of timber resources to VicForests must be reviewed every five years. In order to give more certainty to VicForests and its customers the bill will seek to ensure that if a reduction is needed in the allocation of resources as a result of the review taking place every five years, this will only occur 10 years after the review, rather than the current policy of phasing in the reduction over 10 years. This change has been sought by the timber industry, VicForests and by the communities that are dependent on the timber industry. I note that the opposition parties support this section of the bill. However, in certain circumstances such as with fire or other natural circumstances, or as a result of the government accepting the Victorian Environmental Assessment Council recommendations which may change the status of public land, the government retains the right to immediately reduce the timber resources as needed. It is appropriate that this is able to be done.

The bill also amends the Safety on Public Land Act in a very minor but important way. The act which was debated and passed last year will be amended in relation to the notification of declarations of public safety zones. It was disappointing to hear Mr Hall say it was a crude attempt by the Bracks government to manage protesters in the forest. I am sure The Nationals supported that bill when it passed through this house. I do not remember its members opposing it. I am sure that every member of this place would agree that management of conflicting views and thoughts about the forest is a complex issue. The Safety on Public Land Act was a real attempt to manage those sometimes conflicting interests and views which are often fought out on the forest floor.

The bill also amends the way in which the declaration of public safety zones are notified. Rather than the publication of the entire declaration in statewide and local newspapers, advice of the declaration will be published in the appropriate media — the local and statewide media — of where all the information in relation to the declaration may be accessed. That is an important administrative change that is more efficient.

A further part of the bill refers to the governance arrangements regarding the Trust for Nature (Victoria). At the outset it is important to say that the arrangements that form part of this bill have the full support of Trust for Nature. Trust for Nature is a non-profit organisation which has worked hard for nearly 30 years to place the conservation of our native vegetation at the forefront of our minds. I looked at its web site yesterday and noted the motto which emblazons its home page. It is 'Protecting our nation's bush forever'. That symbolises and sums up Trust for Nature's view of its main mission, to look after our native vegetation. Trust for Nature manages 56 properties in Victoria covering some 35 000 hectares. I know personally the good work it does because it manages Ocean Grove Park, a property in my electorate of Geelong Province. I have fond memories of visiting Ocean Grove Park in its former life when it was a Uniting Church school camp. I went there first as a student from Mitcham High School and then as a teacher from Banyule High School to run a camp on the property. It is a great property not very far from the Ocean Grove surf beach.

During the 1990s the Uniting Church decided to sell the property and the community approached the Kennett

government with the view of the government buying the site and returning it to parkland. Symbolic and typical of the Kennett government at the time it said. 'We will purchase it so it can become a park, but you will have to buy it from us'. The then government set a price of $200 000, which was totally beyond the local community's capacity to raise. However, local residents set out to raise as much money as they could. I remember as the candidate for Geelong Province making an election commitment that if the Labor government was elected in 1999 it would waive the community's debt on Ocean Grove Park and return it to the community.

The very first community event I attended as the new member for Geelong Province in 1999 was the Christmas party at Ocean Grove Park, where I announced to the community that the Bracks government was delivering on its promise, was waiving the debt on Ocean Grove Park and providing it for the community of Ocean Grove. The management committee then approached the Trust for Nature to manage the park. It has been managed extremely well, and it remains a substantial and natural resource in the heart of Ocean Grove. I know full well the work Trust for Nature does. The bill seeks to change certain trust arrangements. It will set 10 as the maximum number of members of the trust and make the majority of members as the quorum. As I said at the outset, this has the support of Trust for Nature and, I understand, the support of opposition parties.

Where we tend to part ways is in relation to the last part of the bill, which seeks to amend the Water Act 1989 and the Melbourne and Metropolitan Board of Works Act 1958. The government has sought to put our natural resources on a sustainable footing. In this second term of government under the leadership of the Minister for Environment, the Honourable John Thwaites, we have undertaken the most substantial reform of the way we manage our water resources in our state's history. We have done this in the face of more than seven years of drought and the evidence provided by scientists that through climate change the weather patterns we are experiencing now may be the norm rather than the exception. We have tried very hard over the last few years to bring about not just a change in the way people use their water, but the way people think about water. We want to ensure that all Victorians, no matter where they live or work, have a role to play in conserving our precious water resources. The government has an obligation to ensure that we manage our water resources cautiously.

The bill also seeks to change the way we manage our water supply protection areas. It will allow management plans to apply restrictions on the amount of ground water which may be accessed through these plans. I note that The Nationals, through their foreshadowed amendment, do not want that ability. They do not want those restrictions imposed. I am concerned about that because it says to me that members of The Nationals do not get it. They do not understand that we need to conserve our water resources. They do not seem to understand that by not imposing restrictions and allowing unfettered access eventually there will be a huge price to pay. Other improvements will be made under this bill to the process by which management plans are drafted, amended and approved by the Minister for Water. The amendments will allow for the incorporation of information from maps and plans into management plans.

We will not support the amendments foreshadowed by the opposition parties. As Mr Stoney said, farmers and other groups spend much time and effort devising their water plans. It is therefore important that their plans are given deep and thorough consideration by the minister. The foreshadowed amendment actually would act as a delaying mechanism for the approval of those plans. It is important that it be opposed. The bill does not preclude the right of the minister to refer any refused draft management plan back to a consultative committee. It may very well be that any Minister for Water decides to refer the plan back to the consultative committee. We firmly believe the minister should have the right to make appropriate minor amendments to draft management plans. We want to retain that right and that is why we will be opposing the amendments.

The Bracks government's objective is to manage our water resources cautiously and provide the best possible outcomes for communities that rely on our very stressed water resources. I urge all members of this place to support the bill this afternoon.

Hon. W. A. LOVELL (North Eastern) — I rise to speak on the Environment and Water Legislation (Miscellaneous Amendments) Bill. This bill amends five acts: the Sustainable Forests (Timber) Act 2004, the Safety on Public Land Act 2004, the Victorian Conservation Trust Act 1972, the Water Act 1989 and the Melbourne and Metropolitan Board of Works Act 1958. I should declare at the outset of my speech the Liberal Party opposes this bill. I should clarify that the Liberals support parts 2, 3 and 4 of the bill but we oppose parts 5 and 6 and therefore we will be opposing the entire bill. I will be restricting my comments on the bill to the sections we oppose.

Section 31 of the Water Act requires that in a water supply protection area a consultative committee, which is a committee made up of local water users, develops a draft management plan that imposes restrictions on the amount of water that can be drawn from the aquifer. These plans are drawn up to prevent the aquifer or ground water table dropping below specified levels. Consultative committees are made up of local people including local farmers and water experts who have detailed knowledge of their local area and who actually understand the aquifer better than anyone else because of their local knowledge and experience in managing it.

Under the changes proposed in this bill, the minister will gain the power to amend the draft management plan and to incorporate any amendments he so chooses without referring the plan back to the consultative committee. If the minister so chooses he can refuse the draft plan and implement his own management plan without any consultation with the local committee. Clearly this is not satisfactory. This amendment has obviously come about because a group of irrigators from Katunga in my electorate took the minister, the department and Goulburn-Murray Water to the Supreme Court over a proposal to reduce allocations to irrigators on the Katunga deep lead.

The government settled this matter out of court just days before the irrigators were to have their day in court. This out-of-court settlement was a clear win for the irrigators. The government paid all costs. A new management plan is being drawn up with input from local irrigators.

It is clear that this case is the reason the government has seen fit to include in this bill the power for the minister to incorporate any documents he sees fit into a management plan. This part of the bill is retrospective and allows any document in force or purported to be in force back to 1984 to be incorporated. It allows the minister to amend a draft management plan in any way he sees fit. He can refuse a draft management plan and substitute his own plan or take any action he sees fit without any consultation with the community committee.

Amendment (10A) provides that a draft management plan is not invalid merely because of a defect or irregularity in connection with the plan. This is a very broad amendment allowing the government to amend the plan no matter how flawed it may be.

Effectively sections 5 and 6 of this bill give the minister unfettered powers that allow him to ignore the plans produced by local committees; to have a plan remain valid even if it contains massive errors; to incorporate any documents in force or purporting to be in force for the past 21 years; or to substitute a plan of his own in preference to the community plan without any consultation with the local community committee.

It is for these reasons that the Liberal Party opposes the bill in its current form and why the Liberal Party has moved the reasoned amendment. I support the reasoned amendment as moved by the Honourable Graeme Stoney and I am disappointed that Ms Carbines has indicated the government will not be supporting it. It indicates how arrogant this government has become and tells us the Bracks government has no regard for the concerns of local communities or the expertise that exists there. We certainly see this quite often in water debates. When a water debate happens in northern Victoria it needs to be an educated one because the people there know the Water Act backwards. They know exactly what they are doing with water in the irrigation districts. It is quite clear when members of the government come up and try to engage in a debate with our local irrigators, the irrigators know a lot more than the government. The government should really listen to those local irrigators.

Hon. J. G. HILTON (Western Port) — I wish to make a contribution to the debate on the Environment and Water Legislation (Miscellaneous Amendments) Bill. Amendments will be made to five acts: the Sustainable Forests (Timber) Act 2004, the Safety on Public Land Act 2004, the Victorian Conservation Trust Act 1972, the Water Act 1989 and the Melbourne and Metropolitan Board of Works Act 1958.

I disagree with Mr Hall. I believe the amendments to the Sustainable Forests (Timber) Act of 2004 will provide greater commercial security to VicForests. It will do that by ensuring that any decision to reduce timber resource allocations after a regular five-year review or a review undertaken as a result of any other event or issue which is determined to have had a significant impact on timber resources can only come into effect 10 years after the review. That amendment gives a 10-year window of certainty, which will enable the industry to invest in maybe new technology or systems with some confidence that it will achieve a commercial rate of return. Obviously if there is another unforeseen event, like fire or disease, that has a significant impact on timber resources, it is only fair and reasonable that the impact of that be taken into account, maybe with a reduction in the resources available. But, as I said, I think that would be an exceptional event.

The opposition has expressed support for the other changes to legislation, therefore I will be very brief.

The amendments to the Safety on Public Land Act 2004 will streamline the process of declaration of safety zones. Presently the act enables the departmental secretary to declare public safety zones. This amendment will require that a notice of the making of the public safety zone declaration will need to be published in the appropriate media with a reference to where the details of the declaration can be viewed, rather than the present situation which requires the publication of the whole declaration. That seems an eminently sensible amendment to streamline the process.

My honourable friend Ms Carbines has mentioned the next change, which relates to the not-for-profit organisation, Trust for Nature (Victoria). I understand this body, which has a history going back approximately 30 years, has as its primary purpose the protection of remnant bushland. The act under which the trust operates requires the trust to have 10 trustees, with 6 trustees required for a quorum. This obviously can cause difficulties if not enough trustees are available or if someone resigns and a vacancy has to be filled. Under this legislation the requirement will be for a minimum of 6 and a maximum of 10 trustees, the majority at any time forming a quorum. This will obviously improve the working practicalities of the trust, especially when there are vacancies or members are absent for various reasons, such as illness.

The changes that have aroused the greatest controversy — certainly in the lower house and in this house — are the amendments to the Water Act 1989 and the Melbourne and Metropolitan Board of Works Act 1958. These amendments will improve — in the government's view — the management of water protection areas.

Sitting suspended 6.30 p.m. until 8.04 p.m.

Hon. J. G. HILTON — At the dinner break I was making my contribution to the Environment and Water Legislation (Miscellaneous Amendments) Bill and had briefly discussed amendments to the Sustainable Forest (Timber) Act, the Safety on Public Land Act and the Victorian Conservation Trust Act which essentially were not controversial and were basically supported by the opposition parties, although they had some comments about sustainable forests.

Two amendments to the Water Act and the Melbourne and Metropolitan Board of Works Act are the ones which in this chamber and in the other place have been subject to amendments and some debate. I shall try to summarise and understand opposition concerns.

These amendments give what is called unfettered power to the minister. Obviously the word 'unfettered' was the epithet of choice in relation to this bill because it was used both by the members in the other place and members of this house. It relates to the development of management plans. My understanding is that the management plans are prepared by the consultation groups which are referred to the minister for his approval.

The concern seems to be that the minister can change these plans without referring them back to the consultation groups. My view on this is that the minister has responsibility. As Harry S. Truman was want to say, 'The buck stops here'. The minister has to be acknowledged as the person who is ultimately responsible for water resources in this state. The minister is responsible for the water resource assessment programs, declaration of water supply protection areas and appointments of consultative committees to prepare draft management plans. He is responsible for the issuing of guidelines for the preparation of draft management plans, approving or refusing to approve draft management plans, and the issuing of licences to take and use water.

I believe that is entirely appropriate. The minister needs to take ultimate responsibility for the management of the water resources in this state. It is not the responsibility of the consultative committees to take that responsibility. If the argument is that the minister should refer his decisions to the consultative committee and it, for whatever reason, decides not to accept those modified plans, presumably it must come back to the minister who again must make a final decision. All we are doing is ensuring that the ultimate decision is made by the minister, which is as it should be.

I am sure that in practical instances the minister will refer any alterations he requires to the consultative committee for further discussion, but I do not see that that needs to be included in this legislation. It is merely commonsense in the way this legislation would work. The way the bill is drafted means that any minor defects in a plan or irregularity, whatever that irregularity might be, can be corrected without another lengthy consultation process.

An example of a defect or irregularity may be the tabling of the plan in Parliament a day later than specified in the regulations. I certainly do not see any problem with that. The minister approves the plan which he has determined and has to make that plan available for public comment so people have an opportunity to make their submissions in relation to the plan. There is an opportunity for people to scrutinise

what the minister proposes and to make some submissions, but the ultimate responsibility for the management of the water resources in Victoria lies with the minister. All these amendments are doing, in spite of the scaremongering by opposition members, is ensuring that these approvals are conducted and are provided in the most expeditious and timely manner.

I do not see any great grounds for concern in this bill. It has a series of a very sensible amendments which will put the sustainability of our resources on a more appropriate footing, and I have no difficulty in commending the bill to the house.

Hon. B. W. BISHOP (North Western) — I would like to make a few brief comments on this bill related mainly to issues around ground water. When anyone talks to us at the Mildura end of the world and asks, 'What are the three most important issues in your electorate?', we say, 'Water, water and water!'. Without doubt water is the main concern up there, and an important part of that is ground water. While the concern is not so focused on the Mildura area itself, the ground water supplies in the aquifer that lies under Murrayville, out towards the South Australian border, are absolutely crucial. It is a large aquifer. It runs not only around Murrayville but also goes a substantial distance down along the border into the Wimmera. That area at Murrayville is a very important and productive area. In the initial stages the aquifer supplied water only for stock and domestic, but then also for the production of lucerne and other products. When there was demand a lot of potatoes were grown in that area as well, which I suspect were grown mainly for the chip market. Growers used, and still use, huge centre pivots to pump water out of the aquifer for producing those irrigated products.

It is an interesting story. During a couple of really bad years some time ago we saw huge draw downs on the aquifer of up to 12 metres in depth. With stock and domestic bores the water might be at a certain level under normal circumstances, but with a couple of really tough drought years and irrigation usage, some time ago the level of water in the draw downs fell by 12 metres, which is quite substantial. Particular difficulty was experienced by people in the stock and domestic areas, but it was worked out reasonably well on a community basis, because a number of meetings were held to address that situation. Obviously the bores in the stock and domestic area had to be deepened, or the pumps had to go down further, to ensure that the absolutely essential stock and domestic supplies were still available. That was worked through with the irrigators, and a cost-sharing exercise was put into place on a pro-rata basis. That was done very well, and I take my hat off to those in the area who worked their way through that. Quite rightly residents of the area are always concerned about the status of the aquifer, particularly the stock and domestic users, if they believe those essential supplies might not be available to them. I do not blame them; anyone would be in the same boat.

During that time — and I cannot remember the exact years — a water supply protection area committee was put in place. It had the task of gaining the balance between sustainability of the level in the aquifer and the productivity of the area. In my view the great people on that committee did a good job in trying to achieve that very important balance. At that time Wimmera Mallee Water was the water authority in charge of the area, and I must say that I think it missed the mark in that process. I had a number of discussions with it. I warned the authority many times that the issue was likely to get away from it, and that it required some very close scrutiny. I suppose the best you could say for the authority is that it was very slow to act on the community concerns.

A lady there called Jocelyn Lindner lives in that area. She is not only very interested in the community but is also a great historian. Jocelyn got the locals together to raise the issue and they represented their area particularly well. At about that time a new water authority was formed by Wimmera Mallee Water joining Grampians Water to become Grampians Wimmera Mallee Water. If my memory serves me correctly, it proceeded to look to put in place some more licences in that area, a move that was not favoured by the locals at that time. The issue ended up in the Victorian Civil and Administrative Tribunal, and if my memory again serves me correctly, its decision favoured the locals. My point is that the issue should never have got to the stage of going to VCAT. There should have been a strong enough local committee and strong enough powers in that committee to ensure that those issues were sorted out before it ever got to VCAT. Some would suggest that a catchment management authority might be the best group to sort that out, but I am not too sure about that. The Mallee Catchment Management Authority might have strong environmental views which would balance out against the productive side of that sector. I think you have to strike a real balance between productivity, the environment and sustainability.

I come to clause 14 of this bill, which we in The Nationals believe gives the minister tremendous powers that we object to and do not believe are fair and reasonable, particularly across the committees the community might put together to manage its water supplies. We believe that with the inclusion of

clause 14 in the bill the minister could override the community concerns and take away the part they could play in their own destiny. As we have said, we object to that clause and wish to have it withdrawn. If we are not successful we will be forced to vote against the bill.

I find the further issues in relation to the management of ground water are complex, particularly in relation to border areas. I have been out to the Murrayville area a number of times, and to the best of my knowledge the bores — not the stock and domestic bores but the ones that pump for irrigation — are metered. I am not too sure that all of the bores on the South Australian side are metered. We get a bucket of water, if you like, under the border, the use of which is shared between two states. That has been a concern to me and many others for some time. I know that in the future — and I do not want to pre-empt it — a bill will be introduced into the Parliament about those issues concerning South Australia and Victoria. I would be very interested to hear the contributions of people when that bill is debated. It is my view there should be a very strong overview of the shared usage of the aquifers that lie under the border areas. It is absolutely crucial that we have a strong local committee structure to ensure that the local committee views get through in the process. Again I come back to our belief that clause 14 gives the minister powers in this area that are far too strong and may allow the minister to override local committees. That is why we object to that clause and, as I said, if it is not taken out will be forced to vote against the bill.

It is a complex issue but one that is very well understood by the people in areas such as Murrayville, where we have the shared aquifer. That resource needs to be very carefully managed. There is a fine balance between the mining of an aquifer and the sustainable use of it. Considerable research is required to ensure that we take the right decisions in the future. We do not believe clause 14 of this bill would lead to those right decisions, as it may not recognise the needs of the local community.

Mr VINEY (Chelsea) — It is with pleasure that I rise tonight to speak in favour of what is pretty much an omnibus bill covering a number of acts but known as the Environment and Water Legislation (Miscellaneous Amendments) Bill.

Of course this legislation deals with a few different acts, including the Sustainable Forests (Timber) Act 2004. It is important to read fairly carefully some of the amendments to some of the acts as proposed in this bill, because I have to say that on my first reading I needed to review the legislation against the original acts.

The bill will ensure that the forest supply — that is, the supply of timber for the forest industry — is sustainable by putting in place provisions that improve the security of supply to VicForests by requiring that any reduction following a review in accordance with section 18(1) or section 18(2)(c) of the act occurs after a period of 10 years unless there is agreement between the minister and VicForests. As I said, it is important to read that carefully because on first reading it seems to conflict with the proposed capacity of the minister to make changes to the supply of timber in the case of fire or a serious change to the resource. But of course that capacity of the minister to make changes to the resource in section 18(2)(a) and (b) is retained. It is only in section 18(2)(c) that the new provision applies.

It is important that we have a timber industry supplying a number of jobs in Victoria and as a major economic contributor to the state. It is important that we maintain supply but it is also extremely important to manage our forests in a sustainable way, to ensure that the obtaining of timber from our forests is not damaging the long-term capacity to supply timber for future generations and, importantly, not damaging the environment.

The bill also makes changes in relation to safety on public land which does not seem to be particularly controversial in the context of this debate. It makes some important changes to the constitutional structures of the Victorian Conservation Trust Act and previous requirements related to a quorum by ensuring that where from time to time there are changes in the number of trustees of the Trust for Nature (Victoria), the trust's capacity to operate is continued.

Finally, the bill makes amendments to the Water Act 1989 and the Melbourne and Metropolitan Board of Works Act 1958. Those changes seem to have raised some differences of view in the house so I will spend a bit of time on that area in my contribution. The changes proposed in the bill will allow management plans to impose restrictions on taking ground water to prevent a maximum or average ground water level being exceeded. Other improvements will also be made to the process by which management plans are drafted, amended and ultimately approved by the Minister for Water. It is important that the capacity of the minister to make amendments to the recommendations from draft management plans be inserted.

I do not accept the view just expressed by The Nationals and by Mr Bishop that it should not be within the capacity of the minister to make amendments to draft management plans after a consultation process. It is, if you like, a tenet of the democratic system that

ultimate responsibility rests with the minister, and if that is so we have to give the minister the capacity to make decisions. They might not be absolutely in line with a community consultation process but might be made in relation to other considerations that a minister rightly and properly has to take into account. I have no particular problem with clause 14(2) of the bill and I believe the house should support that provision.

In the context of the changes to the Water Act it is worth putting on the record this government's achievements in water. I note Mr Bishop's acknowledgment in his electorate where water is a critical issue. I have no doubt that it is the case and it is a concern shared by Mr Bishop, but I have to say it is something that was not reflected in previous governments, either Labor or conservative. It is in fact the Bracks Labor government that has put in place an enormous investment in our water resources — nearly $1 billion including $320 million for the 10-year Victorian Water Trust, a $202 million commitment to the Snowy River — a major issue that emerged in the 1999 election, and this government has picked up that commitment and we are now seeing flows back into the Snowy River — and a $167 million commitment to the proposed Wimmera–Mallee pipeline.

I have to say that the conservative federal government was dragged kicking and screaming to that project. It had no interest in the Wimmera-Mallee pipeline; it made no commitment to it. It has been the commitment of the Bracks Labor government that has led the way. In fact our investment in water infrastructure and programs in this state is leading the way for the whole nation — —

Mr Pullen — Victoria — Leading the Way!

Mr VINEY — It is making Victoria a good place to raise a family. It is an absolute commitment. It is a commitment that was led by the Bracks Labor government. It is a commitment that was brought to the central agenda of government by this Bracks Labor government. We believe there needs to be a continuing commitment to water and that is why we are investing in it and that stands in stark contrast to the Howard government which is not even prepared to sign up to the Kyoto protocol and puts its head in the sand in relation to global warming.

I have heard The Nationals and country members of the Liberal Party raise the issue of drought in Victoria, but it is actually the Bracks Labor government that has been delivering on commitments on water and other commitments in this area. It is absolutely ridiculous for members of the conservative side to be in here talking about issues of drought when their colleagues in Canberra are not even prepared to sign up to Kyoto, and are not even prepared to acknowledge that there is a problem with global warming. It is this government that is putting that investment in, such as for the Victorian Water Trust as I mentioned.

We have seen Melbourne's water usage in the life of this government reduced by nearly 20 per cent per head compared with the 1990s. We have seen water efficiency rebates put in place by the government taken up by more than 100 000 Victorian households. We have seen water recycling projects under way to irrigate crops and drought-proof new residential developments with recycled water from Werribee and the eastern treatment plant. There has been the announcement of the feasibility study into what I regard to be a great project, recycling water from the eastern treatment plant to Morwell for industrial and agricultural purposes.

We have put in place a range of programs and projects for securing Victoria's water future and it is in stark contrast to the record of the conservatives in Canberra. Maybe these issues were not up front and centre on the political agenda during the last Kennett government, but they were emerging. We have not seen any demonstration from the conservative side of politics in this state to real programs and real commitment to these areas. This bill before the house tonight is continuing that commitment. We have had the commitment to the Snowy River, with the Bracks government working jointly with the New South Wales government to source water for environmental flows to the Snowy. Flows are being returned there and so far over 26 billion litres of water has been made available by Victoria for the Snowy River. It is a magnificent river and one that I have visited on numerous occasions. It would be magnificent to see it returning to something of the glory it once had.

The government has gone on to look at programs associated with saving the Murray River. Some 169 billion litres of water will be delivered to the Murray River from a sales water deal with farmers and by decommissioning the inefficient man-made Lake Mokoan. This government has been putting in place a raft of programs that are a substantial commitment to the protection of our water resource in this state. It will be an increasing requirement for this state. We have had a number of years of drought. Earlier today I was telling members that usually at this time of the year if one walked over the flats on a family property in Gippsland one needed gumboots, but at the moment the ground is still pretty solid under foot. This is a real problem and it has been like that for a number of years.

We need to put in place a raft of programs across this state and they should be supported nationally to make sure that we protect the water resource of this state and of this nation. The position would be greatly enhanced if members on the other side recognised that from time to time the minister, under provisions inserted by clause 14 of this bill, can make decisions about protecting the water resource after community consultation on the development of management plans. The reason we can have confidence in a process like that is that the Minister for Water in the other place has demonstrated an absolute commitment to saving water in this state. It is in stark contrast to the conservatives in Canberra who are not even prepared to acknowledge we are facing global warming and not prepared to sign up to something like the Kyoto protocol which is absolutely essential if this earth is going to protect itself from the damages of global warming. I commend the bill to the house.

Hon. W. R. BAXTER (North Eastern) — We have just heard a very political speech from Mr Viney, which disappoints me.

Mr Viney — We are in politics!

Hon. W. R. BAXTER — Yes, Mr Viney, we are in politics, but we do have some responsibility and obligation to actually tell the truth and state the facts as they are — —

Honourable members interjecting.

Hon. W. R. BAXTER — I am not going to get into an argument about the Wimmera-Mallee pipeline tonight. However, it is absolutely incomprehensible for the member to come into this house and claim on behalf of the government all the credit — as the member did — for the Wimmera-Mallee pipeline. If the member acknowledges that water in this nation is a scarce commodity and then expresses pride in being party to allowing 55 per cent of the Snowy River to run out as waste into Bass Strait whilst the great Murray River discharges only 20 per cent at its mouth, I am afraid we are on different planets.

I regard as absolutely absurd some of the decisions this government has taken in regard to water simply to capture Green votes in the suburbs. These are people who surround themselves with concrete and tar, who pour pollution into the skies day after day — talk about Kyoto! — from the exhausts of their expensive motor cars as they queue up at the traffic lights and the intersections of this city, and yet they have the gall to suggest that they have the answers to the environmental issues that confront this nation. This government dances to their tune. This government is so bereft of ideas, it is so bankrupt of initiatives of its own, that it allows itself to be captive to these ill-informed, misinformed and indeed greedy people who promote some of these misguided policies.

To not acknowledge the great work that the former Deputy Prime Minister has done in terms of the national water initiative is really failing to give credit where credit is due. There is no doubt that as Deputy Prime Minister of this nation John Anderson, working in concert with his cabinet colleagues and the Prime Minister, dragged the states, kicking and screaming, to get some sort of agreement as to how we will go forward with a reasonable national water policy. John Anderson deserves great credit for that. He deserves credit also for, in difficult health circumstances, seeing it through and not hanging up his hat until he had achieved that goal.

This bill is a Trojan Horse bill. It is a bill that amends five or six other acts and by and large the other parts of the bill, except parts 5 and 6, are relatively innocuous. I am not so sure about that part which deals with the timber industry — my leader, Mr Hall, has dealt with that earlier — but certainly part 4 dealing with the Victorian Conservation Trust Act is quite innocuous, and I do not see any problem with part 2 at all.

But I am concerned about parts 5 and 6. I have been critical of this government in the past for bringing in tiny little bills for minor amendments to acts instead of putting them together as an omnibus bill, and we have seen plenty of examples of that. It has been a make-work program for this house and this Parliament. To make it look as if the government has a large legislative program it has rolled in all these tiny little bills over the last couple of years, which have been minor amendments to acts, but has brought them in singly. I have said a lot of that could have been in an omnibus bill.

We have the opposite here. We have what is an omnibus bill. Why do we have it? Because the government has a poison pill in it, that is why; and it wants to make it very difficult for the Parliament to be able to make a proper decision on this. Some parts of the bill are laudable, some parts are totally innocuous and do not need to be opposed, but of course there is one part which is in fact quite obnoxious. The government has wrapped it all up together as some sort of clever, devious way of trying to confuse the Parliament and to get the piece of legislation through in a way that it may not have been able to do if it had rolled it in singly. We in The Nationals did not come down in the last shower, nor did the opposition, because

we have both woken up to what the government is on about in terms of part 5 where it is attempting to amend the Water Act 1989 and add some sections, in particular section 32A. Why is it doing it? Because it got caught out, there was a stuff-up, it made a big blue. It got done over in the courts by a couple of farmers, who got some good legal advice from a solicitor in my electorate — and the government does not like it. I can understand why the government does not like it, but the fact of the matter is that it should not come in here wielding the big stick just because it got done over in the courts because it did not follow proper process.

That is what happened. The water supply protection area for Katunga was worked through with a consultative committee; a lot of time was spent on it. I totally reject the remarks of Ms Carbines, who earlier in the night — and I do not know why she does not see it as her duty as parliamentary secretary to sit in the house while debates within her bailiwick are before the Chair — was alleging that The Nationals have got it wrong, that we do not care about water conservation and that we are prepared to use it today and damn tomorrow. What a stupid view to have! If she had any sense of understanding at all, she must have come to the view that the people who rely on ground water know full well that if they suck it out they will be damaging their own industry, their own businesses and their own incomes. They are very responsible indeed.

It is certainly true that governments in the past have over-allocated the resources of ground water in this state. Some of that was perhaps through carelessness and some of it was through lack of knowledge in earlier times. We still do not entirely know what the resources of ground water are; we still do not know to any degree of accuracy what the recharge rates of our ground water are; and of course we have the problem in the northern Victorian area — exactly the same as Mr Bishop alluded to in terms of the South Australian border area — that these ground water reserves flow under state borders, so they are drawn upon by our colleagues in New South Wales and South Australia respectively, and in some instances their water management is somewhat more lax than ours in Victoria.

I am deeply suspicious of this amending bill because it simply seems to me to be a way of giving the minister absolute power at the end of the day. I agree with Mr Viney that at the end of the day ministers need to have some responsibility and need to have some discretion they can exercise, and the buck ultimately has to stop with them. I do not object to that. What I do object to is the sneaky way this bill has been brought in to amend the longstanding provisions of the Water Act to enable the minister basically to do what he likes and to ignore the decisions and the considerations of a properly constituted consultative committee. I note that since the debacle at the court a fresh consultative committee has been set up at Katunga and it is currently working its way through the system. I have a letter of 6 May from the chairman of the new consultative committee in which he says, amongst other things:

> The appointment of a new committee was agreed to under the settlement of the Supreme Court challenge to the current ground water management plan … In developing a new management plan the consultative committee is aiming to ensure that ground water in the Katunga WSPA —

that is, water supply protection area —

> is managed for equity and long-term sustainability.

We would all applaud that. He then goes on to outline who was on the committee. The list includes a representative of the Goulburn-Broken Catchment Management Authority, an independent hydrologist, five ground water users from the Katunga water supply protection area, a representative from Goulburn-Murray Rural Water Authority, a representative from the Goulburn Valley Region Water Authority, a representative of the Department of Sustainability and Environment, and Cr Frank Malcolm representing the local municipality, Moira Shire Council.

They have engaged a consulting group which is well known in the area, and they are getting technical and administrative support from Goulburn-Murray Water. This committee is engaging in a good deal of communication with land-holders in the area. It is inviting land-holders to attend meetings. A series of meetings was held in the area in the last week of July — in Strathmerton, Yarroweyah, Picola, Katamatite and Katunga. Unfortunately they were all on days when I was otherwise engaged on parliamentary business and I could not attend any of them. The letter finishes up by saying:

> This is an important job and all effort is being made to get it right.

So it should be, and I am confident that it is being so done. However, all the good work that the committee is doing could be a total waste of time as it could be entirely subsumed if these amendments are passed. Clause 14 of the bill before the house proposes to insert, after section 32A(6)(a) of the Water Act, paragraph (ab) which states:

> approve a draft management plan with any amendments the Minister considers appropriate …

That is perfectly legitimate, I do not object that. Then it states:

After section 32A(7) of the Water Act 1989 insert —

"(7A) If a draft management plan is refused, the Minister may —

appoint another consultative committee, prepare a new draft management plan or abolish a water supply protection area under section 28 of the principal act. I am at a loss to understand why paragraph (c) is included there. As I read section 28 of the Water Act it states:

(1) The Minister may, by a subsequent Order published in the Government Gazette, amend the boundaries of, or abolish, a water supply protection area.

Why are we inserting it again in this proposed section? There seems to be some logical inconsistency in that. If my suspicions are right, it is being done for nefarious purposes. Proposed section 32A(7A)(d) states:

take any other action that the Minister considers appropriate in the circumstances.

This means the minister can totally ignore the work of the consultative committee and can go off on his own excursion. That to me is flying in the face of several pages of the Water Act which have been inserted over the years to make sure that local communities have some say in the management of the ground water supplies. It is entirely appropriate that they should have that say.

The great danger that I see with this sort of bill when you have a Labor government in office, and one which is labouring under the misapprehensions that we heard from Ms Carbines and Mr Viney, is you are likely to have decisions made which are very much attuned to supporting or encouraging or playing up to the green vote in the suburbs and will take insufficient account of the livelihoods of the people who are directly affected. It is about clawing back water from them, perhaps without proper reason and without taking into account all the facts. I do not think any minister in a Labor government should be given that sort of power by this Parliament. I will certainly be supporting the amendments to be moved by the opposition. If they are not carried in committee, I will be voting against clause 14.

Hon. J. M. McQUILTEN (Ballarat) — I rise to speak in support of the bill. As I have been saying for all of my time in Parliament, water is the one of the most important issues. It is about water, it is about Australia — the driest continent on earth. That is why I am going to speak on this bill.

First I would like to make a few points about the Honourable Bill Baxter's contribution of a few minutes ago. I find it extraordinary that he spoke in terms of this waste of water going down the Snowy River and other rivers — I will need to check *Hansard* to make sure of that. However, what he has said in the past 12 to 18 months, and I praised him in a speech, was he supported the work of the Victorian Farmers Federation and farmers and graziers in protecting streams. I actually praised the Honourable Bill Baxter for his changed view and his support for the health of rivers. Then tonight he has done a quick double backflip and he is now not supporting the health of rivers — now it is a sin to put extra water down them. He talked in the past about our needing some natural flows through our rivers. He said it very well and I was very impressed with his change in attitude, so it is really hypocritical for him to come in here and say what he said in his speech tonight.

I turn now to water. I have now experienced nine years of drought on my vineyard, in my area. For people to say we on this side do not understand is a load of nonsense. I have spoken to the Minister for Water and the Premier and they know what is happening in my area. Drought is an incredibly powerful influence on the economy and even on the psychology of country people. It affects the way people think: they get a bit depressed, a bit down. We have now had nine years of drought and that is the longest drought in my area in recorded history, in white man's history. As I said in my first or second speech in this place, water is the no. 1 priority in Australia. I also said that we need to have cooperation between all three levels of government — between the federal, state and local governments. We are nearly getting there, we are making some headway. I think that is a positive move as a nation. All levels of government must realise that they have to work together and not play politics with water and drought and all of the issues involved.

I would now like to talk about a particular experience I had as a new member of Parliament. It involved the aquifer around Ascot. The potato farmers were really angry about a proposal by Central Highlands Water to tap into that aquifer and supply clean water to the township of Clunes. This was a classic example of a clash between old practices and the requirements of a new society. The old practice was the potato farmers in Ascot considered the ground water to be theirs — they viewed this water as their water. I think as state and national governments — this was four or five years ago — we had not thought about ground water. Whose water is it? If it is under your land, is it yours? No other government — federal or state — had really considered the issue of ground water and who owns it. If you were the potato grower, if you were the vineyard owner, that bore was your water. We as a Parliament had not

thought about whose water it is. Clearly it is everybody's water. It is like a dam but it is an underground dam.

We as a nation had not confronted that before. This is an issue that I have confronted with my colleague the member for Ripon in the other place. We had to work through that. It is clearly everybody's resource, so how can we work out who takes how much of it. In the case of the Clunes water supply we had 1000 people who had been boiling water for four years because the other water supply was undrinkable. Central Highlands Water had to cart water in, but the farmers in the Ascot area said, 'This is our water; you cannot take it from us'.

I noted another point in the speeches made earlier in this debate. There was reference to 'our area', 'a certain area' or 'this is the area that the consultative committee will look after'. Ground water has no boundaries. I understand that the water under the Ascot farms goes all the way to Daylesford and beyond. It is a huge area. We tend to think of catchment areas where rivers or creeks flow, but ground water does not work that way. It extends across huge areas, up hill and down hill. That is the reason, a very important reason, the minister requires part 5 of the bill. He needs the intervention capability to override a local view because of a state or national issue. That is why it is a very important part of the bill.

In terms of the Ascot farmers issue, I was amazed to hear them say, 'This is our water. If you put a bore down and take our water to supply Clunes we will be in trouble and we are already in drought'. They were already in trouble and they were in drought, but Clunes had been boiling water for four years. We then asked the farmers, 'How much water are you taking out of this aquifer?'. They replied, 'We do not know' and 'My allocation is X'. I said, 'Is that what you are taking?'. They said, 'No, other people who have an allocation do not take anything'. I wanted to know how much they were taking out of this aquifer, but there were no meters. In 2000 there was not a meter on the Ascot aquifer. No-one knew what was going out. If you had a licence for a couple of megalitres you could take 10 or 20 megalitres. You just pumped away. You could have a licence for half a megalitre and take 10 megalitres. This was the insanity of what was happening in the past. We are now making a real contribution to smarter management of a resource which belongs to everyone. It belongs to the people of Clunes and the Ascot farmers and every Victorian. We are now being smarter about it. Who has done it? The Bracks government.

House divided on omission (members in favour vote no):

Ayes, 22

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

Noes, 19

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

Amendment negatived.

House divided on motion:

Ayes, 22

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

Noes, 19

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

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 13 agreed to.

Clause 14

Hon. E. G. STONEY (Central Highlands) — I move:

1. Clause 14, lines 20 to 24, omit all words and expressions on these lines.

I foreshadow amendments 2 and 3 standing in my name.

The reason we are moving these amendments is to give control back to the consultative committees. We think it is very unhealthy for any minister to have such unfettered power as is given to the minister under this bill. We saw such unfettered power given yesterday with the Owner Drivers and Forestry Contractors Bill and we see it again today, so twice in two days enormous powers have been given to ministers. We do not like that trend and do not think it is healthy. At the end of the day clause 14 cuts out local influence to a point that is unacceptable. We do not like the retrospectivity aspect of this bill and are very concerned about it.

Our amendment 1 deletes clause 14(2), which inserts new paragraph (ab) in section 32A(6), giving the minister the unfettered power to change the draft management plan in any way he chooses without reference to the consultative committee that compiled the draft plan. Our amendment 2 inserts new section 7A, which requires the minister to provide reasons for refusal to approve the draft management plan. The plan must then be referred back to the consultative committee to draw up a revised draft management plan. If the minister refuses the revised plan, new section 7B allows the minister to make minor amendments to the revised plan and then approve it. It is worth commenting that the Victorian Farmers Federation strongly supports our amendments 1 and 2.

Our amendment 3 highlights that an approved plan cannot be declared invalid merely because of a defect or irregularity in the tabling of the plan in Parliament. However, it makes it clear that it can be declared invalid on the basis of a defect or irregularity in the plan or in relation to the compilation of the plan. It is worth recording that this was an opinion from Edwin Kennon from the legal firm Morrison and Sawers, which represented the Katunga irrigators in the case in which they received an out-of-court settlement from the Minister for Water. In that case the senior counsel suggested that any irregularity in the process of tabling the plan would be insufficient justification for the plan being declared invalid, but this should not prevent other parties from challenging the validity of an approved plan on the basis of irregularities in the plan itself or in the compilation of the plan, such as having less than 50 per cent local farmer representation on the consultative committee. With those few words, I give members the rationale behind our amendments.

I would like to ask the minister a question on that issue. If this bill were law at the time, could it have been used against the Katunga people when they took their case to the court recently?

Ms BROAD (Minister for Local Government) — In addressing the member's proposed amendment and foreshadowed amendments, I wish to make some remarks about clause 14 and indicate that — as I am sure the member is aware — the government does not support either amendment 1 or the foreshadowed amendments for the following reasons. In the government's view the proposed amendments would mean that the minister would not be able to make amendments to a draft management plan when the minister approves it. In the government's view this is not acceptable because without the power to make amendments to the draft management plan at the approval stage, there is the potential for unnecessary delays, including for what might be relatively trivial drafting errors and other matters. The government recognises that farmers and other groups put a great deal of effort into the development of these plans and believes it is unnecessary to hold up the approval of a plan to correct minor matters.

As well as that, the major difference between what the government is proposing in this bill and the scheme proposed under the opposition's amendments is, of course, that the scheme proposed by the opposition requires the minister to refer the draft management plan back to the consultative committee if it has refused to prepare a revised draft management plan. The important approach that the government has included in this bill is that it does not require the minister to refer the draft management plan back to the consultative committee if it is refused, and it allows the minister to take any other action that the minister considers appropriate in the circumstances, which might include referring the draft management plan back to the consultative committee for further consideration.

The opposition amendments place greater limitations on the power of the minister and certainly do not allow the minister the flexibility which the government bill does. It is clearly the government's view that it is preferable that the minister have the increased

flexibility that the bill provides rather than being forced to refer the management plan back to the consultative committee for further consideration. The assessment is that the opposition amendments would add at least another three months onto the process and accordingly would delay implementation of the plan. Further, these plans are developed in areas that are already under stress and where decisions need to be taken to ensure that water resources are protected and managed in a sustainable way. Of course, the minister is ultimately responsible for the management of Victoria's water resources for the benefit of all Victorians.

In the circumstances where a draft management plan does not meet the objectives of sustainability and equity, the minister may choose to refer it back to the committee, but in the government's view the minister should also be empowered to make appropriate amendments to the draft management plan. In the government's view there is little advantage in adopting the opposition amendments in relation to the bill, particularly when it is taken into account that the minister is accountable to Parliament and ultimately the management plan may be disallowed in whole or in part by either house of Parliament under the Water Act, which is a high level of accountability indeed.

Hon. E. G. STONEY (Central Highlands) — As an aside, I know the government is hesitant to give any credit to the opposition at all, but I notice that while the bill was between houses it very quickly picked up the word 'approved' rather than the word 'draft' in new section 32A(10A), which is inserted by clause 14, so the opposition has been helpful there. Where we differ is that the minister says that our amendments put greater limits on the minister and we say we want to give more power to committees. We think it is important to get it right. I come back to my original question, which was probably clouded in my initial explanation. My question was that if this bill were now law could it have been used by the government against the Katunga people when they took their case to court?

Ms BROAD (Minister for Local Government) — In response to the member, I certainly would not take up the language he has used in terms of this bill or any other actions of the government being used against a group, including the Katunga group, but in the circumstances of a court case I am being advised that it is difficult to predict what might have happened in that court case when these provisions were not in place and how they might have been regarded in those court proceedings at that time. Clearly that is a question which invites some speculation about what might have happened in the courts at that time, and I am advised that it is not possible to give a definitive answer to that question because it is hypothetical.

Hon. E. G. STONEY (Central Highlands) — I understand the minister's point. Looking to the future, could I have an assurance from the minister that any cases that are now before the courts or before the Victorian Civil and Administrative Tribunal (VCAT) will not be affected by any retrospective sections of this bill?

Ms BROAD (Minister for Local Government) — I am advised that there are no matters before the courts. I am advised that there is one matter that is going through processes at VCAT, and that on the advice available to me at this time it is not expected these provisions would have any impact on that.

Hon. E. G. STONEY (Central Highlands) — I thank the minister for that. It has given me some comfort.

Hon. P. R. HALL (Gippsland) — The first thing I want to say is that during the course of the second-reading debate The Nationals expressed strong objections to clause 14 based on the process outlined in that clause. As I said during the course of the second-reading debate, we saw as a more appropriate process to resolve these issues the minister in the first instance going back and talking to a consultative committee about any objections he or she might have to any draft management plan devised by the committee. That would seem to us a commonsense thing to do. After all, everybody has the same interest in these processes. People serve on these consultative committees as a matter of goodwill in trying to achieve better outcomes, and I am sure the government of the day would want to try to achieve best outcomes as well. We believe the best outcomes can be achieved if there is a sense of cooperation between the government of the day and the appointed consultative committees. That is why we argue strongly that in the first instance any objections the minister may have to a draft management plan should be referred back to the consultative committee for further consideration. This is what these amendments propose. New section 32A(7A) as proposed by amendment 2 says exactly that and would require the minister's objections to be fed back to the consultative committee for further consideration by the committee. The minister claimed this would place limitations on the power of the minister. Of course it would; there is no doubt about that at all. We do not argue about that, but we say there needs to be a balance in these things, and a fair balance would be that the minister and the consultative committee should be working together — not as one but working together —

to try to resolve any points of difference in the development of these important management plans.

The minister also claimed in her response to these amendments that this would cause unnecessary delays. It may cause a delay of up to three months, but I would have thought on balance again it is important to get things right.

If there is a three-month delay, we do not see that that is an inordinate period of time if we are going to get things right in the end. The minister also said that it would be ridiculous for the minister not to have the power to make some minor amendments to a draft management plan. Proposed section 32A(7B) states:

> If a revised draft management plan prepared in accordance with sub-section (7A) is refused, the Minister may —
>
> …
>
> (c) make any minor amendment to the revised draft management plan for the purposes of addressing the reasons for the refusal of the original draft management plan —

et cetera. It is not as if the thing will be floated backwards and forwards to the consultative committee. This amendment would require them to go back to the consultative committee in the first instance, but if there remained some minor amendments, as described in section 32A(7B)(c), then that could be resolved with the minister using the powers given to him under this particular provision.

On the balance of things we believe this amendment is appropriate. It addresses the process currently described in clause 14 and, if my interpretation is correct, it is pretty much along the line of that process suggested by the Victorian Farmers Federation in its response to both The Nationals and the Liberal Party. Therefore we will be supporting the amendment moved by Mr Stoney.

During the second-reading debate I foreshadowed that if the reasoned amendment was not accepted I would be giving the chamber an alternative. It now has two alternatives on its plate. We can either choose to amend clause 14, or delete clause 14 in its entirety, because when Mr Stoney's amendments are disposed of and before clause 14 is put, I intend to move a further amendment that clause 14 be deleted. But in the first instance I can indicate that The Nationals would be happy to support this amendment and have clause 14 amended as per the amendments moved and foreshadowed by Mr Stoney.

Hon. W. R. BAXTER (North Eastern) — I listened with interest to the minister's rationale for not supporting Mr Stoney's amendment. So far as I could detect, the principal and probably only reason for declining to accept the amendment was that it might cause a delay, and that delay might be three months. I think Mr Hall put his finger on that. Three months is not very long to wait if that is the difference between getting things right and getting general agreement, or having a minister of the Crown coming in and exercising a power the minister has and in the process alienating all the people who are involved, particularly those who have served on and those who have assisted and given evidence to the committee. They would feel they have been summarily dismissed, basically.

I do not want the minister to come back to me and say, 'Yes, but in times of scarcity of water we cannot afford the three-month delay because we might run out of water', or that someone might get more than their share in those circumstances. Yes, that might happen. But I draw the minister's attention to section 13 of the Water Act, which has been there since 1989 and which enables the minister to qualify rights, particularly in the event of times of scarcity. I do not see that a delay, particularly a delay as short as three months — and that is the time span the minister spoke about — can in any way put sustainability, or supply to others, at risk because the minister has other powers if he needs to exercise them in those circumstances. The opposition amendment is entirely reasonable and ought to be supported by the committee.

Committee divided on omission (members in favour vote no):

Ayes, 21

Argondizzo, Ms	Mikakos, Ms
Broad, Ms	Mitchell, Mr
Buckingham, Mrs	Nguyen, Mr
Carbines, Ms	Pullen, Mr (*Teller*)
Eren, Mr (*Teller*)	Scheffer, Mr
Hilton, Mr	Smith, Mr
Hirsh, Ms	Somyurek, Mr
Jennings, Mr	Theophanous, Mr
Lenders, Mr	Thomson, Ms
McQuilten, Mr	Viney, Mr
Madden, Mr	

Noes, 19

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

Amendment negatived.

Hon. E. G. STONEY (Central Highlands) — Amendments 2 and 3 were tested by amendment 1.

The CHAIR — Order! I am about to put the question. Does Mr Hall wish to speak on clause 14?

Hon. P. R. HALL (Gippsland) — Yes, I do. I am about to offer the committee, through the Chair, one last chance to do the right thing. As I indicated in the second-reading debate, I would have offered — —

Mr Viney — They will leave while you are speaking!

Hon. P. R. HALL — Mr Viney may leave but we are about to call him back so he may as well sit down again!

Our strong objections to clause 14 have been expressed already during the committee stage and previously during the second-reading debate. I have an amendment before the chamber which invites the committee to vote to omit this clause, so when the question is put that the clause stand part of the bill, I invite all members to do the right thing and say no.

Hon. E. G. STONEY (Central Highlands) — The Liberal Party is delighted to take up Mr Hall's offer. We will be supporting him.

Hon. W. R. BAXTER (North Eastern) — I am supporting Mr Hall's amendment, but I think it is fair to the committee to explain that The Nationals were of the view right from the word go that the existing act in these particular provisions was quite adequate. On the other hand, we endorse and indeed applaud the work that was done by the opposition in preparing some amendments which have now been rejected, unfortunately, by the committee, but at least perhaps went some way towards meeting the government's objectives. But as the government has rejected the initiative by the opposition I believe that the act as it stands is best and the status quo should remain. Therefore I support the amendment.

Hon. J. M. McQUILTEN (Ballarat) — I have to say that I believe this clause is part of the common good. This is what is not being recognised by the opposition, like in the Country Party. What we are talking about here is the common good. You have to take in all the views of the rural communities and also some of our country towns.

Hon. Bill Forwood — Since when have you been the arbiter of the common good?

The CHAIR — Order! Mr Forwood!

Hon. J. M. McQUILTEN — As I discussed in my earlier speech which Mr Forwood was not here to listen to, I talked about Clunes and the Ascot farmers, town water et cetera, and I really believe that this bill — —

Honourable members interjecting.

The CHAIR — Order! It is not possible for Hansard or the Chair to hear Mr McQuilten with people interjecting from across the chamber.

Hon. J. M. McQUILTEN — I believe this clause is clearly for the common good and that is why it ought to be included.

Hon. BILL FORWOOD (Templestowe) — It is important that the house gives Mr McQuilten the opportunity to define the common good and explain to the chamber why he believes that the common good is best served by his opinion.

Hon. W. R. BAXTER (North Eastern) — Unfortunately Mr McQuilten was not in attendance at the committee when I made my contribution on the amendments moved by the opposition. If he had been, he would not have made the comments he did just now, which cast a slight upon me and my party, and I reject that. I believe that what The Nationals were endeavouring to do, along with the opposition, was to make sure that everyone gets a fair go and that this government does not dance to the tune of the Greens in a search for votes.

Committee divided on clause:

Ayes, 21

Argondizzo, Ms	Mikakos, Ms
Broad, Ms	Mitchell, Mr
Buckingham, Mrs	Nguyen, Mr
Carbines, Ms	Pullen, Mr
Eren, Mr	Scheffer, Mr *(Teller)*
Hilton, Mr	Smith, Mr
Hirsh, Ms	Somyurek, Mr *(Teller)*
Jennings, Mr	Theophanous, Mr
Lenders, Mr	Thomson, Ms
McQuilten, Mr	Viney, Mr
Madden, Mr	

Noes, 19

Atkinson, Mr	Forwood, Mr
Baxter, Mr *(Teller)*	Hadden, Ms
Bishop, Mr	Hall, Mr
Bowden, Mr	Koch, Mr
Brideson, Mr	Lovell, Ms
Coote, Mrs	Rich-Phillips, Mr

Dalla-Riva, Mr *(Teller)*
Davis, Mr D. McL.
Davis, Mr P. R.
Drum, Mr
Stoney, Mr
Strong, Mr
Vogels, Mr

Clause agreed to.

Clauses 15 and 16 agreed to.

Reported to the house without amendment.

Report adopted.

Third reading

Ms BROAD (Minister for Local Government) — I move:

That the bill be now read a third time.

The PRESIDENT — Order! The question is:

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

House divided on question:

Ayes, 22

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

Noes, 19

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

Question agreed to.

Read third time.

Remaining stages

Passed remaining stages.

RACING AND GAMING ACTS (POLICE POWERS) BILL

Introduction and first reading

Received from Assembly.

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

Business interrupted pursuant to sessional orders.

ADJOURNMENT

The PRESIDENT — Order! The question is:

That the house do now adjourn.

Electricity: Hazelwood power station

Hon. P. R. HALL (Gippsland) — I raise a matter for the attention of the Premier concerning the future of the Hazelwood power station. I raise this matter with the Premier as I expect the decision to extend Hazelwood's mining licence will be a government decision based on recommendations coming from both the Minister for Planning in the other place and the Minister for Energy Industries and Resources. The assistance I am seeking from the Premier is to ask him to commit his government to the future of Hazelwood and announce the required extension to its mining licence immediately.

The mine extension has been through an extensive environment effects statement (EES) process. Firstly, there was an EES process involving the diversion of a road and also the Morwell River. I might add that I made a submission to that EES process on behalf of The Nationals. Secondly, there was a requirement that the process go back and also consider the impact of greenhouse gas emissions on that mining licence. In fact it has been through two EES processes. The reports of those processes have been in the hands of the government for some time and in my view and the view of the people that I represent the decision is well overdue.

The delay is allowing lunatics, and I say that without qualification, aligned with Greenpeace to do illegal activities like those that they have recently undertaken — that is, to trespass into the area of the Hazelwood mine and chain themselves to a dredger there. Moreover it is causing great anxiety to Hazelwood's 800 employees. I want to commend two in particular who have made their views known publicly in the *Latrobe Valley Express* just this week.

I refer to the comments of Mr Jess Macri, who has been a worker at Hazelwood for more than 10 years. He is frustrated by the constant criticism which paints his employer as being the state's dirtiest power station. The article states:

> 'Worse than frustrating — it's depressing, it really is,' Mr Macri told the *Express*.

He made the comment that Hazelwood has actually reduced its CO_2 emissions by 7 per cent since 1996 and is working extremely hard to further reduce those gas emissions. The article also states:

> … he had sat in on the EES panel hearings during his spare time.
>
> 'It was a fair and independent panel that has come out and recommended it (the West Field project) and now we've got the government sitting on its hands and waiting. What's the hold-up?'

The article continues:

> He has one message for Energy Minister Theo Theophanous: 'Give us a decision and hopefully a positive one — we want to get on with our lives.'

Those views were echoed by Mr Ron Whitton, who has been at Hazelwood for 23 years. I can tell you that they are the views of all workers. I commend the *Latrobe Valley Express* for putting that article on page 1. I join Mr Macri and Mr Whitton in calling on the government to make an immediate decision and ensure Victoria's future power needs are met, and the lives of the 800 workers are looked after.

Rugby League: development

Hon. J. G. HILTON (Western Port) — My adjournment matter this evening is directed to the Minister for Sport and Recreation, the Honourable Justin Madden. As I mentioned in a members statement yesterday, the Premier has announced a number of initiatives which will develop the game of Rugby League in Victoria. These initiatives include an injection of $23 million into the development of grassroots participation in Rugby League; the development of a new stadium at Olympic Park at a cost of $100 million, which is to be specifically designed for Rugby League; and the playing in Melbourne of a number of high-profile games over the next few years. These high-profile games will include a state of origin game in 2006, which will be the third and hopefully deciding game of the series; a state of origin game in either 2009 or 2010, which will be either game 1 or 2 of the series; a tri-nations game in 2006, which will be a series between Australia, New Zealand and Great Britain; and an international game in 2008 between an Australian team and a world cup participation nation. These are terrific initiatives to support the development of Rugby League in Victoria. I asked the minister to demonstrate his support of Rugby League in Victoria by attending the 2006 state of origin game.

Children: sex offender supervision

Hon. D. K. DRUM (North Western) — My adjournment question tonight is directed to the Minister for Community Services in the other place. I wish to take up the case of a confessed paedophile who has been outed by his neighbours and identified to the community as living within 100 metres of the Epsom Primary School on the outskirts of Bendigo. Worried neighbour Nicole Wilson has had the courage to speak openly about the fact that she is living next door to a known sex offender. This person is one of the over 400 people on the sex offenders register in this state. This chap is a repeat sex offender. While he has not been to jail, he is a self-confessed repeat offender who has transgressed with children around seven years of age. Ms Wilson has forbidden her daughters from doing such mundane things around the house as going to the letterbox. Her own activities such as hanging washing on the line have been curtailed because she feels threatened by the fact that she is living next door to this known paedophile and repeat sex offender.

I call on the Minister for Community Services to take a greater role in the placement of these sex offenders. We had the fiasco with Mr Baldy when he was placed in the community near a school, near a bus stop and in close proximity to the path to school for a lot of children. I call on the minister to implement a system which will control the placement of known sex offenders, especially repeat offenders and especially those who have offended against such young children. The minister must take responsibility for the placement of these registered sex offenders and must ensure that they are not placed in close proximity to schools, bus stops, recreation reserves or any recreation venues that are likely to be frequented by unsupervised children.

Consumer affairs: Geelong liquor accord

Ms CARBINES (Geelong) — I wish to raise a matter with the Minister for Consumer Affairs, the Honourable Marsha Thomson. It concerns an attempt by the Geelong Nightlife Association to address serious community consequences of irresponsible alcohol consumption at licensed venues in Geelong. Community concern about the behaviour of drunk patrons on the streets of Geelong at night-time has recently been heightened. On 1 August the *Geelong*

Advertiser ran three pages explaining this issue to its readers. The headline on the front page was 'Under-age disgrace — raid on club reveals half the patrons too young'. The headline across pages 2 and 3 was 'Blood, music and mischief in the city — police sweep nightclubs'.

The Geelong Nightlife Association has, with the support of the City of Greater Geelong, Victoria Police and the Liquor Licensing Commission, developed the Geelong liquor accord. The aim of this accord is to reduce alcohol-related violence, reduce under-age drinking, reduce antisocial behaviour and crime, improve our city precinct, ensure compliance with liquor laws, improve patron safety in and around licensed venues, and improve the image of licensed venues around central Geelong. I would like to congratulate all the licensed venues in Geelong which have so far committed to the principles of the accord and are prepared to abide by its demands. These demands include:

> no pricing practices or promotions that encourage rapid consumption of alcohol or alcohol abuse …
>
> refusing entry to intoxicated persons
>
> providing low-alcohol and no-alcohol beverages at low cost
>
> …
>
> prominently display the correct liquor signage
>
> vigilantly check all proof of IDs …

There are also other principles which venues must adhere to. I understand that the vast majority of Geelong's licensed venues have signed up to the accord. However, for the accord to be effective in its aims of reducing the very serious consequences of irresponsible alcohol consumption for the community of Geelong, we need all licensees to get on board and sign up. In the last week we have seen reports in the Geelong media that some licensees are holding back from signing the accord due to concerns that they may be open to accusations of collusion in relation to price fixing and that the accord may even be illegal. I ask the minister to clarify, in the interests of all who are concerned to create a safer Geelong city precinct for the whole community, whether the Geelong liquor accord contains any elements of price fixing which may undermine its ultimate success.

Responses

Ms BROAD (Minister for Local Government) — The Honourable Peter Hall raised a matter for the attention of the Premier. He is seeking action by the Premier to secure the future of the Hazelwood power station. I will refer that request to the Premier.

The Honourable Geoff Hilton sought the support of the Minister for Sport and Recreation for Rugby League. I will refer that request to the minister.

The Honourable Damian Drum raised a matter for the attention of the Minister for Community Services in the other place. He called on the Minister for Community Services to play a greater role in the placement of registered sex offenders. I will refer that request to the minister.

Ms Carbines raised for the attention of the Minister for Consumer Affairs the matter of community concern about irresponsible consumption of alcohol. She sought some clarification from the minister about the liquor accord in Geelong and matters concerned with it. I will refer that request to the minister.

The DEPUTY PRESIDENT — Order! The house stands adjourned.

House adjourned 10.11 p.m.